

Checking Account Risks at a Glance

The Pew Health Group's Safe Checking in the Electronic Age Project conducted a study of checking account terms and conditions that examines both the state of the marketplace and the effect of current regulations covering these accounts.

Pew analyzed more than 250 types of checking accounts offered online by the 10 largest banks in the United States, which hold nearly 60 percent of all deposit volume nationwide.

In researching checking accounts, Pew charted the median and the range for many fees, the variations in key practices and the extent of certain practices. The figures below display some of Pew's most important findings from its recent report, "Hidden Risks: The Case for Safe and Transparent Checking Accounts."

Endnotes:

- \$36 is the median transaction amount that causes a consumer to overdraw - Federal Deposit Insurance Corporation, "Study of Bank Overdraft Programs" (November 2008), available at http://www.fdic.gov/bank/analytical/overdraft/FDIC138_Report_Final_v508.pdf.

- \$38 billion is the amount Americans are estimated to spend on overdraft fees in 2011 - Press Release, Moeb's Services, Overdraft Fee Revenue Drops to 2008 Levels for Banks and Credit Unions, (Sept. 15, 2010), available at <http://www.moeb's.com/Pressreleases/tabid/58/ctl/Details/mid/380/ItemID/193/Default.aspx>.

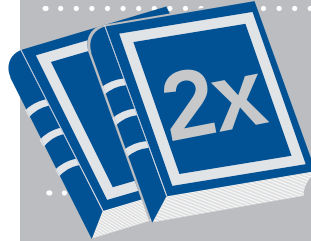
111

THE MEDIAN NUMBER OF PAGES OF DISCLOSURE FOR A CHECKING ACCOUNT



1

THE NUMBER OF PAGES IN PEW'S MODEL DISCLOSURE BOX



CHECKING ACCOUNT DISCLOSURES ARE GENERALLY TWICE AS LONG AS *ROMEO AND JULIET*

7

THE NUMBER OF DIFFERENT NAMES

USED BY THE TEN LARGEST BANKS TO DESCRIBE THEIR OVERDRAFT PENALTY FEE—

"OVERDRAFT ITEM FEE," "INSUFFICIENT FUNDS FEE," "OVERDRAFT FEE," "OVERDRAFT ITEM PAID FEE," "RETURNED/PAID ITEM FEE," "UNAVAILABLE FUNDS PENALTY," "UNAVAILABLE FUNDS FEE"

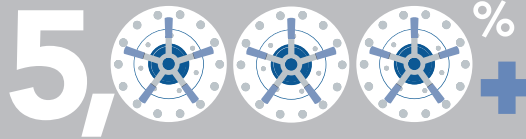
—WHICH MAKES IT DIFFICULT FOR CONSUMERS TO MAKE COMPARISONS.

\$36

THE MEDIAN TRANSACTION AMOUNT THAT CAUSES A CONSUMER TO OVERDRAW, ACCORDING TO THE FDIC

\$10 THE MEDIAN OVERDRAFT TRANSFER CHARGE

\$35 THE MEDIAN OVERDRAFT PENALTY FEE

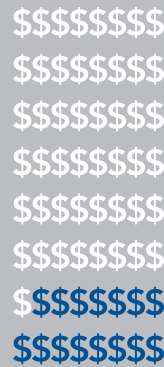


IF AN OVERDRAFT WAS TREATED LIKE A SHORT-TERM LOAN WITH A REPAYMENT PERIOD OF SEVEN DAYS, THEN THE ANNUAL PERCENTAGE RATE FOR A TYPICAL INCIDENCE WOULD BE OVER 5,000 PERCENT

Per Day

\$140

THE MEDIAN AMOUNT A CUSTOMER CAN BE CHARGED PER DAY IN OVERDRAFT FEES



49

THE MEDIAN NUMBER OF DIFFERENT FEES THAT A CUSTOMER COULD BE CHARGED WHILE USING HIS OR HER CHECKING ACCOUNT

\$38 BILLION

THE AMOUNT AMERICANS ARE ESTIMATED TO SPEND

ON OVERDRAFT FEES IN 2011, WHICH WOULD BE AN ALL TIME HIGH, ACCORDING TO MOEB'S SERVICES

BANKS ONLY DEPOSIT FUNDS FIVE DAYS A WEEK



BUT BANKS WITHDRAW FUNDS SEVEN DAYS A WEEK