



Free Checking Reaches New High at Credit Unions

Overdraft fees grow, but still lower than banks

NEW YORK – March 13, 2017 – 84% of the largest credit unions in the U.S. offer standalone free checking accounts to all customers (up from 76% last year), according to a new Bankrate.com study. This is well-over twice the amount offered at the nation’s largest banks (38%). To view the full survey, go to:

www.bankrate.com/finance/checking/credit-union-checking-survey-2017.aspx

It gets better. Most of the accounts that aren’t outright free offer waivers to avoid the fee. Altogether, 98% of the accounts surveyed are either free or can become free with direct deposit, a certain amount of transaction activity, or other account relationships at the credit union.

“Don’t discount credit unions in your search for a good checking account,” said Bankrate.com Chief Financial Analyst, Greg McBride, CFA. “Credit unions have made great strides in offering broader ATM access and more free accounts to their members.”

The average overdraft fee at credit unions is up this year, \$27.76, versus \$26.96 in 2016. However, it is still lower than the average overdraft fee charged at banks (\$33.04).

Additional findings

- Just 16% of accounts have a monthly fee, down from 24% last year. The most common fee is \$5, up from \$2 last year.
- 64% of credit unions charge an ATM fee for going outside the network. Of those charging, \$1.50 is the most common fee (versus \$2.50 at banks).
- 96% of credit unions charge non-members who withdraw money from the credit union's ATMs. Among those charging, \$3 is the most common fee just as with banks.
- 68% of the accounts surveyed have no minimum opening deposit, and no account requires more than \$50 to open. The average minimum required to open an account dipped to a new low of \$8.18 (down from \$10.26 last year).
- Only 38% of the accounts surveyed pay interest at the minimum deposit. The average yield hit a new low of 0.08%.

Methodology

Bankrate.com surveyed checking accounts and their associated debit card and ATM fees at the 50 largest credit unions by deposits (shares) between Jan. 17-25, 2017.

The bank fee data came from Bankrate.com's 2016 survey of bank checking accounts (released in Oct. 2016).

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