

are you at the right bank?

Choose carefully and you'll save oodles of cash. Here's how to decide which one's best for you. By Judy Dutton

figure out your banking personality

DO YOU LIVE PAYCHECK-TO-PAYCHECK? If so, then you'll want a checking account with a low- or no-minimum balance to avoid racking up fees when your funds drop below a set amount.

DO YOU CONSTANTLY HIT THE ATM? If the answer is yes, then you'll want a bank with its own ATMs located where you'll need them most so you can dodge that \$1–2 fee for using another bank's ATM. Little-known fact: Your bank may also be charging you \$1–2 on top of that, which could amount to four whole bucks down the drain every time you withdraw money.

DO YOU TEND TO BOUNCE CHECKS? This blunder will hit you with a \$27 penalty on average from a bank, so you'll want an account with overdraft protection, which will cover overdrawn debits and allow you to pay the bank back later.

DO YOU LIKE WRITING CHECKS? If you hate licking stamps and schlepping to the post office to pay your bills, find a bank that allows you to do it all online—and for free.

FINALLY, ARE YOU GETTING A HOME MORTGAGE OR CAR LOAN? If you may in the near future, you may want to consider opening your account at a bank that offers them; some banks offer preferred rates to account holders.



websites that can help

> BankRate.com

Given that it keeps tabs on 4,800 financial institutions in 50 states, this site is the ultimate tool for weighing your options. Just plug in your city and state for a listing of all checking and savings accounts in your area (including Internet banks), along with their interest rates, minimum balance requirements, and fees.

> ConsumerResearch.com

Head here for a *Consumer Reports*-style review of the top online banks along with their fees, ATM reach, and more. As of the site's last update in March 2007, their picks were as follows.

- Best online services > Citibank
- Best ATM access > Bank of America
- Best Internet bank > E*Trade
- Best high-yield checking > EverBank
- Best high-yield savings > HSBC

(cyber) banking on it

PLUS The lack of "brick-and-mortar" buildings where customers walk in to conduct business means costs are low and interest rates are favorably high—in fact, yields of more than five percent are not uncommon.

MINUS In most cases, you won't be able to write checks or easily deposit them. Instead, you'll have to split things up. Make all of your deposits by mail and pay your bills online.

SOLUTION Try a "brick-and-click" combo where you open a checking account at a local bank and a high-yield savings account online. Even if you decide to use two different institutions, it's typically very easy (not to mention free) to transfer your money between them. Another option: See if any of the banks located in your area have an online branch, as a growing number



click

Test your financial IQ at TheNest.com/moneyquiz

now do, including HSBC, Citibank, and Bank of America.

questions to ask your bank

Finding the right bank is a little like dating. The only way to know if you've found a good match is to ask lots of questions.

is the bank insured by the Federal Deposit Insurance Corporation (FDIC)? If it is, whatever happens, your money is safe (up to \$100,000). If it's not FDIC-insured, run.

is there a monthly maintenance fee? If so, steer clear, or ask if they'll waive that fee if you set up direct deposit for the money that you will receive on a regular basis, like your paycheck.

is there a fee for using ATMs not associated with this bank? This fee is in addition to the one charged by the ATM itself. Better banks will say no, and maybe even reimburse you for the ATM's charge.

are there fees for checks you write? If the answer is yes, that's another red flag. Generally, wherever you live, you should be able to find a free checking account.

are there fees for online banking? Hopefully not, especially if you enjoy the convenience of paying bills online.

are there fees for speaking to a teller? Some banks do charge for this!

is there a minimum balance you need to maintain to avoid fees? Ideally, it should be based on the average amount in your account so you won't get stung for that one day you dip below the line. [n]

Nestperts: Michael Rubin, author of *Beyond Paycheck to Paycheck*; Janet Bodnar, author of *Kiplinger's Money Smart Women*; Laura Bruce, senior reporter for BankRate.com.