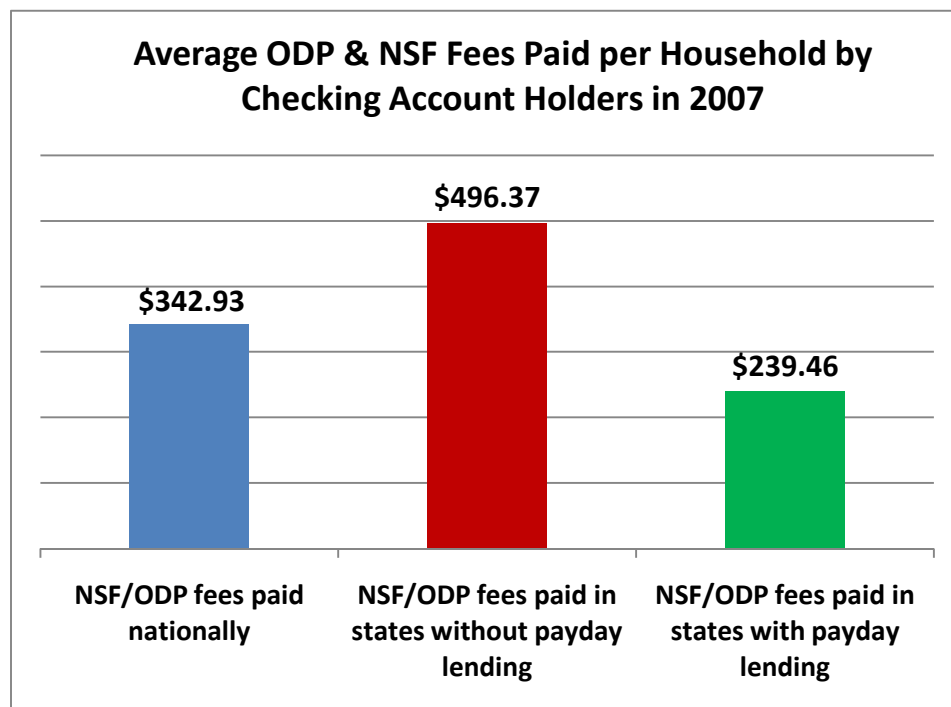


## Bank and Credit Union Fees: In States without Payday Lending, Consumers Pay More

Nationally, the average American household with a bank or credit union checking account pays \$342.93 each year in overdraft protection (ODP) or non-sufficient funds (NSF) fees.

In states where payday loans are available, the average consumer pays \$239.46 per year in ODP and NSF fees--\$103.47 less than the national average. On the other hand, in states where payday loans have been eliminated, checking account holders pay, on average, \$496.37 each year—that's \$256.91 more than their counterparts who live in states with payday loans.<sup>1</sup>



A customer typically pays \$15-\$17 per \$100 for a payday advance. Comparatively, the average ODP/NSF fee is \$27, regardless of the amount of the overdraft.<sup>2</sup> Many informed consumers choose to take out a payday loan rather than overdraw their checking account. This explains why, in states where payday loans are an option, consumers pay less.

<sup>1</sup> G. Michael Flores, Bank Strategist, Bretton Woods Inc., March 2009

<sup>2</sup> [FDIC Study of Bank Overdraft Programs](#), Federal Deposit Insurance Corporation, November 2008