

STARS & STRIPES

A QUARTERLY PUBLICATION OF FIRST AMERICAN BANK

Volume 15 Issue 3

September 2012

JIM HENDERSON: ON DECK

Upon retiring from WWL TV in February, I was able to become involved in commercial sponsorship which I could never do while under a television contract. My plan was to limit such work to a few select clients if there was any interest in my services at all.

First American Bank was the first such opportunity and I couldn't have chosen an affiliation with which I would be happier. As you know if you're reading this, the "First American Family" is far more than a slogan – it's the feeling I experienced from the very first time I became acquainted with the Bank, the bank officers and the employees. I feel like I've known all of them for decades rather than months. In subsequent newsletters I hope to share with you some of the experiences and relationships my job as the New Orleans Saints Play-by-Play announcer has provided me. Initially I want to say what a pleasure this affiliation with First American has already provided me. I look forward to a wonderful relationship and future for us all.

First American Bank
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Jim



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Avoid Overdraft Fees

An overdraft can occur when you try to spend more money than you have available in your checking account. For example, let's assume you have \$40 in your account. You ask the phone company to electronically deduct \$35 from your checking account to pay the bill. You now have \$5 available. Next, you use your debit card to make a \$10 purchase. You could overdraw your account if the bank allows the \$10 purchase to be processed. This could cost you expensive overdraft fees. The amount you are overdrawn plus your bank's fees will be deducted immediately, in full, from your next deposit(s) -- including from payroll deposits made by your employer, government benefit deposits, and other direct deposits on which you may depend. These deductions will lower your account balance once again and may increase the risk of more overdrafts and costly fees.

ATM and Point of Sale Debit Card Purchases

In 2010, federal regulations took effect that provide certain protections for bank customers when their deposit account(s) are overdrawn. Customers now have a choice whether to opt-in to a bank's overdraft program. By choosing to opt-in, the bank can charge you a fee to process point-of-sale (POS) or ATM transactions that exceed your account balance.

This is called the "opt-in rule" -- if you do not opt in, the bank will decline your ATM withdrawals and debit card transactions at POS terminals if you do not have enough money in your account to cover the withdrawal or purchase. If you do not opt-in but the bank pays an ATM or POS item when your account is overdrawn, the bank cannot charge you an overdraft fee.

Checks and Other Transaction Account Payments

For other transactions that would cause you to exceed your balance, such as if you write a check that overdraws your account or for recurring bills automatically deducted from your account, your bank can choose whether to "pay" (cover) the transaction that would cause you to exceed your balance. If the bank decides it will cover the transaction, expect it to charge you an overdraft fee, which may average around \$30. If the bank decides not to cover the transaction, it may charge you a "non-sufficient funds" (NSF) fee and the merchant also may charge you a returned check fee.

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A penny for your thoughts...

- ★ The first US penny was minted in 1787; it was pure copper and was designed by Benjamin Franklin.
- ★ To celebrate Lincoln's 100th birthday, his face was put on the penny. It was also the first coin to have "In God We Trust" engraved on the front.
- ★ The back of the penny pictures the Lincoln Memorial, a monument to Abraham Lincoln located in Washington, D.C.
- ★ The US penny was named after the British penny. Pennies are copper plated zinc and have a smooth edge. The penny is 19.05 mm in diameter and is 1.55 mm thick.

source: enchantedlearning.com

Two Ways to Avoid Costly Overdraft Fees in Automated Overdraft Programs

You can protect yourself from costly overdraft fees by:

1. Watch Your Balance.

Track the money you deposit into and withdraw from your account. You can do this on a paper check register or electronically. Remember to track ATM withdrawals, purchases you make with your debit card, bills that get debited electronically from your account, and checks. It also may be a good idea to keep a cushion of funds in your account to help prevent unintended overdrafts.

2. Link Your Checking Account to a Savings Account.

If the accounts are linked and you do not have enough money in your checking account to cover a transaction, the bank will transfer funds from your savings account to your checking account to cover the difference. This can save you money over other overdraft programs because most banks will only charge you a small fee, if they charge at all, for transfers. But, this option is useful only if you have enough money in the linked savings account to cover the transaction. Otherwise, ask your bank about other less costly alternatives to over-draft payment programs, such as a linked line of credit or affordable small-dollar loan.

What should I do if I have a problem?

If you have a concern about your account, contact your financial institution. Explain the problem and how you would like to see the problem resolved. If contacting the bank does not produce desired results, you can contact the bank's federal regulator for assistance.

To learn more about smart ways to manage your money, complete the FDIC Money Smart financial education program online through www.fdic.gov/moneysmart. You can also find financial education workshops or individualized counseling in your area.

To learn more about how to contact your bank's federal regulator, call the FDIC's Consumer Assistance Line at:

1-877-ASK-FDIC

(1-877-275-3342)

www.fdic.gov/consumer



