



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Money Tip for Students, December 2021

What students need to know about checking account fees

FRANKFORT, Ky. (Dec. 2, 2021) — Students interested in opening a checking account should first research the fees they may be charged by a financial institution. Understanding the circumstances under which service fees may be applied could help students choose the option that best suits their needs and could potentially save them hundreds of dollars a year, according to the Kentucky Higher Education Assistance Authority (KHEAA).

“In an economy that’s on fire, establishing good financial practices early in adulthood is essential for young Kentuckians as they obtain their first jobs and build their financial futures,” said Gov. Andy Beshear. “One way to do this is to open a first checking account, being careful to avoid costly fees.”

These fees vary by institution. The most common types are maintenance and overdraft fees. To avoid maintenance fees, you may be required to maintain a minimum daily or an average daily balance. To avoid the monthly fee, you will need to ensure you have deposited enough money into your account to meet the minimum balance requirement.

Overdraft or non-sufficient funds fees occur when a transaction exceeds your account’s available funds. These fees can become expensive and should be avoided, if possible. Most institutions offer an opt-in overdraft protection service that will cover the transaction, but that service comes with a fee per transaction.

ATM fees are another cost factor to consider. Financial institutions charge a fee when you use ATMs that are not affiliated with their banking network. In addition, you’ll be charged a

separate fee by the ATM owner. It's important to take these fees into consideration when making withdrawals from ATMs other than those operated by your financial institution.

KHEAA is the state agency that administers Kentucky's student financial aid programs, including the Kentucky Educational Excellence Scholarship (KEES). Its sister agency, the Kentucky Higher Education Student Loan Corporation (KHESLC), offers low-cost Advantage Loans to help students and parents pay for college or refinance student loans. For more information about Advantage Loans, visit advantageeducationloan.com.

Many of KHEAA's student aid programs are funded by Kentucky Lottery revenue.

For more information about Kentucky scholarships and grants, visit kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926.