

DO MORE WITH YOUR MONEY

Open a Checking Account

Common Features of a Checking Account

- Allows you to write checks for expenses like rent and utilities
- Comes with a debit card to withdraw cash at an ATM or to make purchases in person and online
- Allows direct deposit of your earnings
- Allows you to transfer money to another person's account
- Allows bill payment

What is a Checking Account?

Checking accounts are transaction accounts at banks or credit unions. Some credit unions refer to checking accounts as “share draft accounts.”

A key feature of a checking account is the option to have your earnings and other payments directly deposited into your account. This saves you from getting a paper check or a payroll (prepaid) card from your employer. Many banks and credit unions will waive account maintenance fees if you have your pay directly deposited to your checking account.

New York State law requires banks operating in New York to offer consumers a “basic banking account” with features such as a minimum starting deposit of no more than \$25 and a monthly maintenance fee of no more than \$3. Ask bank staff to tell you which of their accounts meets this requirement.

New York State law also protects the first \$2,640 in a checking account from being used to pay a judgment, with some exceptions such as student loan debts or child support arrears. Certain types of funds (Social Security, Supplemental Security Income (SSI), child support, retirement savings, etc.) are always exempt from debt collection.

Contact Us Today!

- **Call 311.** Ask about free financial counseling at an **NYC Financial Empowerment Center.**
- Visit nyc.gov/dca
- Email OFE.Outreach@dca.nyc.gov
- Follow us [@NYCDCA](https://twitter.com/NYCDCA)

Questions to Ask if You're Considering Opening a Checking Account

- ✓ Is there a monthly maintenance fee?
- ✓ Is there a minimum balance that I must keep to avoid fees?
- ✓ Which ATMs can I use to avoid being charged a fee?
- ✓ Will I be able to overdraw this account? If yes, will I be charged an overdraft fee? Can I opt out of overdraft protection?
- ✓ Can I open this account if I have a negative banking history in ChexSystems?

The NYC Department of Consumer Affairs (DCA) protects and enhances the daily economic lives of New Yorkers to create thriving communities. DCA's Office of Financial Empowerment (OFE) educates, empowers, and protects New Yorkers and their communities so they can improve their financial health and build assets.