

Survey: Average Bounced-Check/Non Sufficient Funds Fees at Record High

by Bend Weekly News Sources

Bankrate.com has released the results of their Fall 2006 Checking survey, finding that it's the punitive fees that are taking the biggest bites out of consumers' wallets. The average bounced-check, or nonsufficient-funds (NSF), fee is now at a record high of \$27.40.

Critics of the payday lending industry hype the "triple-digit APRs" as a reason to limit or prohibit payday loans, but the Bankrate survey results underscore what the payday lending industry has always said, that the cost of a bounced check typically exceeds that of a payday loan.

In fact, when expressed as an APR on identical two-week terms, a payday advance compares favorably: \$100 payday advance with \$15 fee = 391% APR; \$100 bounced check with \$27.40 fee = 714% APR. The average \$26.64 merchant fee (CFSA 2006 National Fee Survey) brings the bounced check APR to 1,409%.

Research shows customers recognize payday advances can sometimes be their best option for low dollar short-term credit-- understandable, given the rising punitive fees associated with checks drawn against nonsufficient-funds, bounced checks covered by "courtesy" overdraft protection and late payments on credit cards and other routine bills.

[Read Fall 2006 Bankrate Checking Study](#)

[View Average Bounced-Check/Nonsufficient Fund \(NSF\) Fee Comparison Chart](#)