

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 itâ€™s the â€œpunitive fees that are taking the biggest bites out of consumersâ€™ wallets.â€• 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 â€œtriple-digit APRsâ€• 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 â€œcourtesyâ€• 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](#)