



The vast majority of people write good checks.

- Banks process more than 30 billion checks per year. Of those, half of one percent bounce. The number of bounced checks has declined at an annual rate of 6.4 percent since 2003.*
- The number of checks processed continues to decline each year as online or electronic payments become more popular. The number of checks paid in the United States has fallen from 42 billion in 2001, to 37 billion in 2003, and to 30 billion in 2006.*
- Fifty-nine percent of consumers check their account balance at least once a week. ***
- Checking your balance has never been easier. Today, you can check your balance by mail, in person, online, at an ATM, or even from your cell phone or PDA.

The industry works to preserve confidence in the checking system by keeping the number of bad checks to an absolute minimum.

- Unpaid overdrafts are a liability for banks. The most common type of check fraud is from overdrafts that bank customers never pay. **
- Banks charge penalties ranging from \$20 to \$35 to discourage customers from writing bad checks.
- Penalty fees for overdrawing an account are like parking tickets – they are meant to be a deterrent.

Banks use a variety of methods to process and post checks.

- Banks are authorized to process checks in any order that they deem most expedient. Each bank may have a different standard or policy regarding the order in which it posts checks and other checking account transactions.
- The stakes tend to be higher for consumers' larger check amounts, such as with mortgage or rent payments. That's why many banks use the high-to-low method of check processing, where each day the largest transactions are processed first and the smallest last.

Keeping accurate, personal records of transactions is the best way consumers can be certain of their account balance.

- Reconciling the account by keeping track of all transactions is the best way consumers can know their account balance.
- Not all transactions are processed in real time. Consumers should be aware that deposit transactions – checks, ATM, debit and credit card – may be presented to an account at different times.

To avoid overdraft fees, consumers should be certain they have the funds to cover the check.

- The increasingly automated nature of today's payment system will, over time, decrease the time it may take to clear a check.
- Just like a parking ticket, overdraft fees are meant to be a deterrent. If the price were too low, emergency vehicles would have a hard time reaching fire hydrants.
- Relying on "float" – the time it takes for a check to clear – is like playing Russian roulette with your bank account, and your good name.
- Don't write a check if you don't have the funds to cover it.