

Chapter 12:

Bank On National Account Standards: Annotated Standards



This chapter addresses frequent discussion points regarding individual features of the CFE Fund's Bank On National Account Standards. For additional questions, or to discuss, please contact [David Rothstein](#).

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TERMS	STANDARDS
Core Features	
Transaction Account at Banking Institution 1	Checking account (including checkless checking); bank- or credit union-offered prepaid
Point of Sale (POS) Capability 2	Debit card/prepaid card
Minimum Opening Deposit and/or Account Balance	\$25 or less
Monthly Maintenance Fee 3	If not waivable: \$5 or less
	If waivable: \$10 or less; offer at least two options to waive fee to free with a single transaction (e.g. direct deposit with no minimum deposit, online bill pay, or debit card purchase)
Overdraft or Non-Sufficient Funds (NSF) Fees 4	None, structurally not possible (e.g. via checkless checking)
Dormancy/Inactivity Fees 5	None
Customer Service	
Branch Access 6	Free and unrestricted
Telephone Banking	Free and unrestricted (including live customer support)
Use of In-Network ATM	Free and unrestricted
Use of Out-of-Network ATM 7	\$2.50 or less (not including local ATM fee)
Functionality	
Deposit Capability	Free cash and checks in branch and at ATM, and direct deposit
Bill Pay by Customer 8	Free
Bill Pay by Financial Institution 9	Free if available, otherwise at least four free money orders and/or cashier checks per month
Check Cashing for Checks Issued by that Institution 10	Free
Online and Mobile Banking	Free
Banking Alerts	Free
Monthly Statements 11	Free electronic; \$2 or less for mailed paper
Insured Deposits	Insured by FDIC or NCUSIF
Strongly Recommended Features	
Account Screening (e.g. ChexSystems, Early Warning Services)	Only deny new customers for past incidences of actual fraud
Alternative IDs (Municipal, Consular, etc.)	Accept alternative IDs
Remote Account Opening	Accounts can be opened remotely
Linked Savings Accounts	Free savings accounts and account transfers
Mobile Deposits	Available, free
Funds Availability	Immediate availability for known customers cashing government, payroll, or checks from that financial institution
Money Orders	\$1.65 or less (based on U.S. Postal Service rate)
Remittances (International Wire)	Competitively priced (\$5.00 – \$20.00, depending on country)
Credit-Building Product Offerings	Secured credit card or secured personal loan, e.g.

- 1 **Transaction Account:** To be certified, accounts must offer full traditional transactional functionality. They must be able to receive deposits and allow withdrawals, without the limits of a savings account. Accounts may be “checkless”; general reloadable prepaid debit cards are also allowable under this Standard.
- 2 **Point-of-Sale Capability:** Beyond ATM functionality, certified accounts must have the capacity for retail purchases at retail locations (including swipe or chip technology) or online, using the 16-digit account number to facilitate the electronic transaction. Cards must provide access to a national payment network such as Visa or MasterCard.
- 3 **Monthly Maintenance Fee:** There are two approaches to acceptable monthly fees for certification. First, the account’s monthly maintenance fee can be up to \$5 and need not be wholly or partially waivable. Or second, an account can be as high as \$10 per month if that fee is waivable down to \$0 by at least two options that customers can choose, either of which would entirely waive the fee (for example, use of an electronic statement, use of direct deposit, or use of a debit card). The FDIC Survey shows that the costs of maintaining an account, specifically a la carte fee structures, are frequent barriers to keeping accounts open. Having a fixed price, low-cost, and transparent monthly fee facilitates account retention, because consumers can budget for this known expense.
- 4 **Overdraft or NSF Fees:** The account must be incapable of incurring both overdraft and Non-Sufficient Fund (NSF) fees. Certified accounts may not allow for customers to elect overdraft affirmatively. For these accounts, transactions that exceed available balances should be declined, and without fee. Overdraft and NSF fees are often the main reasons that checking account balances dip below \$0 and eventually close; one study estimated that 97.5% of account closures are caused by overdrafts, and consumers primarily cite unpredictable fees, and overdraft particularly, as reasons they do not have an account.
- 5 **Dormancy or Inactivity Fees:** Certified account may not have monetary penalties for account inaction, although financial institutions may continue to charge their regular monthly fee during periods of inactivity. As demonstrated by research such as the U.S. Financial Diaries, a lack of dormancy fees assures new consumers that interruptions in income will not put them in danger of new or unexpected fees, or stop them from using the account.
- 6 **Branch Access:** The account must allow for free and unrestricted access to, and use of, branch locations. Research continues to find that branch access is important to customers. Additionally, building trust and interest of customers often occurs at a branch location, starting with opening an account and learning how to safely use it.
- 7 **Use of Out-of-Network ATM:** Financial institutions with certified account may not charge more than \$2.50 for ATM transactions that are out of network. This limit does not apply to fees levied by out-of-network ATM owners.
- 8 **Bill Pay by Customer:** Customers must be able to use their account to pay bills to vendors such as utility companies and retail merchants on the internet or over the telephone using the account’s 16-digit number.
- 9 **Bill Pay by Financial Institution:** Certified accounts either must offer free usage of the financial institution’s internal bill pay system, or provide at least four free money orders per month. The financial institution’s internal bill pay system should allow the customer to designate a payee to be paid on a certain date, with the financial institution then paying the payee either through ACH transfer or by sending a paper check. Paying with electronic bill pay or money order is part of fully transactional banking, particularly for those accounts that are checkless or card-based.
- 10 **Check Cashing for Checks Issued by that Institution:** Accountholders of certified accounts must be able to offer a check for cashing to that financial institution and receive the full value of a check, in cash and without fee, if the check was issued by that same institution.
- 11 **Monthly Statements:** Certified accounts must offer customers free monthly electronic statements, if available at that financial institution, and may not charge more than \$2 for a monthly paper statement. This requirement does not address discounts or bonuses for incentivizing electronic statements, though monthly account fees are subject to a cap (see above). This requirement also does not address any fees for nonregular statement requests by customers.