

By Liz Crumley

You say you have free checking? Think about it. Seven Lincoln banks said in interviews that they have free checking.

However, cost of checks runs from \$2.90 to \$3.60, the charge on returned checks ranges from \$3 to \$5, and the charge for overdrafts ranged from 25 cents per \$100 per day to a set charge of \$4.50 plus 35 cents a day.

National Bank of Commerce (NBC), 13th and N Sts., one of the two largest banks in Lincoln and one of three downtown banks, had some of the largest and smallest charges of all the banks surveyed.

According to Jane Shepard, bookkeeping department, NBC charges \$5 for each returned check, the highest return fee of the banks surveyed.

**Insufficient funds**

A returned check, said Shepard, is one that comes back from their computer nonpost, meaning there are insufficient funds in the account to cover the check. It is then returned to the business or person for which it originally was written.

The business waits a short time and then sends the same check through the bank again, to see if sufficient funds had been deposited.

"The main idea for charges is a deterrent," Shepard said. "The whole idea of checking is a free service the bank offers to the customer."

Gateway Bank, with a branch office in the Nebraska Union, could not release any information. The president of the bank, Carl Dickinson, is on vacation and is the only one authorized to give out information needed.

**\$3 charge**

First National Bank (13th and M Sts.) charges \$3 for each returned check (the smallest amount charged by any bank surveyed), said Marvin Walker, new accounts officer.

The next smallest amount charged for returned checks is at Cornhusker Bank, 2834 N. 14th, which charges \$4 for each returned check, Marilyn Horkey, assistant cashier, said.

Three banks charged \$4.50 for each returned check—Citibank, (14th and M Sts), Havelock Bank (6145 Havelock), and Citizens State Bank (2500 N. 48th).

Lincoln Bank South, (4100 S. 27th St.), along with NBC charges \$5.

According to Richard Harner, vice president and cashier at Havelock Bank, returned checks are expensive to process.

"We probably have one person who totally does return checks. We try to make the charge a deterrent," he said.

**One charge**

Jeff Munford, supervisor of customer service and bookkeeping at Citizens State Bank, said they charge only

for the first time check comes through, adding that the original charge is based on the discretion of the bank's officials.

Charges also are made by most banks for overdrafts. According to Shepard of NBC, an overdraft is a process by which the bank pays for a check for which there are insufficient funds. It is a small-term loan, she said, and the person is notified by NBC immediately by mail.

The decision of whether to pay the check and create the overdraft or to send the check back is made at the discretion of their bookkeeping department, Shepard said.

Usually, she said, the bank will not overdraw on new accounts. The account usually must remain in good standing for about a year before overdrafts will be permitted.

**Students considered**

"We try to be more fair with students," Shepard said. This policy of discretion is practiced by all the banks surveyed that allow overdrafts.

The lowest charge for overdrafts is that of Citizen State Bank which charges nothing.

Lincoln Bank South does not allow any overdrafts, according to Joan Earnhart, new accounts.

**Savings withdrawal**

"If they have a savings account, we automatically withdraw from their savings an amount just large enough to cover the check and deposit it into their checking account at no charge," she said.

According to Earnhart, this is an agreement that can be made at the time the accounts are opened.

First National charges \$3 for all overdrafts. The decision of whether to allow an overdraft is based on the discretion of the bookkeeping department, Walker said.

"We base it on their past record. Habitual bad check-writers we don't allow overdrafts on," he said.

NBC and Cornhusker Bank each charge \$4 for each overdraft.

Cornhusker Bank usually will wait six months on a new account before allowing any overdrafts. However, Horkey said, sometimes, they will overdraw a few dollars for new customers.

**35 cents a day**

Citibank, charges \$4.50 for overdrafts plus 35 cents for each day the overdraft is not paid, said Don Taylor, cashier. There is usually no charge for an overdraft of less than \$5 the first time.

"The first time we usually consider it an error in your checkbook," he said.

"However because of the number of bad checks this year, we are suspect on darn near all new accounts. We probably wouldn't overdraw over \$5 for new accounts.

Havelock Bank, according to Harner, charges a set 25 cents for every \$100 overdraft payment for every day it is not paid.

However, like Citibank, Havelock charges nothing for overdrafts under \$5. According to Harner, it is done automatically by computer for everybody.

The cost of checks also varies among different banks. The lowest amount charged for 200 checks is \$2.90 at NBC for personalized safety paper checks (plain, solid colors), said Loren Dotson, manager of the personal banker department.

**Nature checks**

At NBC the personalized nature line checks (Serenity, etc.) cost \$3.12, Dotson said.

According to Harner, the cost of the same checks at Havelock Bank are \$3 and \$3.25.

The costs of the checks at Citizens State Bank, according to Mumford are \$3 and \$3.50.

At Lincoln Bank South, according to Earnhart, the checks cost \$3.25 and \$3.50.

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Checking:  
the  
delicate  
balance

According to Munford, it's left up to officer discretion. Each officer, said Munford, reviews a list of insufficient fund checks, which he says averages 200 a day. Any one of them can allow the overdraft to be made.

"If the check is close to the amount in their account, then we'll probably overdraw," he said.

"However," he said, "we don't let them go over 10 days. If they aren't paid by then, we either close the account, try to collect ourselves, or turn it over to a collection agency."





# 1 Ringy-Dingy to Remind You that the Student Telephone Directory Closes September 8

If you live in an apartment, sorority or fraternity house, order your own phone now so your name will appear in the directory this fall. (Dorm students already have their own telephone and will be listed in the Student Directory.) To order, come to our business office at 1440 M Street. Remember Monday, the 8th of September. Ringy-Dingy Day.



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