



## Avoiding Bank Transaction Fees

Most ECA missionaries use a debit card from their bank back home to withdraw pesos from ATM's here in Bogotá. Often there are fees involved:

- Foreign Transaction Fee, a flat fee charged for overseas transactions?
- ATM fees from your bank?
- ATM fees from the ATM you use?

These fees can sometimes add up to 10% of your transaction!

Foreign Transaction Fee: this is a percentage – usually between 1% and 3% – that your bank adds on to any transaction made outside the U.S. A lot of banks roll this fee into the transaction itself so you have no way of knowing about it unless you read the fine print.

ATM Fees: If you use an out-of-network ATM, both your bank and the bank who owns the ATM can charge you a fee. These can be between \$1 and \$4 per transaction.

Flat Fee: In addition to the ATM fee, some banks charge an extra fee to use an ATM while overseas. This can be another \$1 – \$5 charge.

How can you avoid unnecessary fees?

The **first** step is to find out what you are currently paying. Read the fine print on your bank's website and find out exactly what it is costing you each month to access your money.

If you are uncomfortable with how much your bank is charging, the **second** step is to find another bank. There are banks that charge no fees, and will even reimburse you for the ATM fees that other banks charge you. More information can be found at these sites:

[http://money.wikia.com/wiki/Foreign\\_Exchange\\_fees\\_on\\_bank\\_cards\\_and\\_credit\\_cards](http://money.wikia.com/wiki/Foreign_Exchange_fees_on_bank_cards_and_credit_cards)  
<http://thepointsquy.com/2014/02/the-top-11-checking-accounts-for-avoiding-foreign-atm-fees/>

I use **State Farm Bank** (<https://www.statefarm.com/finances/banking>). They charge no transaction fees, and no ATM fees. They even reimburse out-of-network ATM fees up to \$10 a month.

**Finally**, make the change. Don't let that \$30 – \$60 a month evaporate into nothing. Check it out to be a wise steward.

Ed Trussell  
MS Math Teacher  
October 2015