

Doron F. Eghbali Banking

Want to Open Up a Checking Account for Hard Cash: Watch Out

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Recently, banks have been sweetening their cash offers in exchange for opening up a checking account. In fact, some banks are attempting to lure loyal customers by offering up to \$200 in hard cash if they open up a checking account with them. However, like always, the devil is in the details.

In fact, banks are mindful of the new regulations going into effect next month limiting their ability to charge very lucrative overdraft fees. So, they, in line [with other actions](#), are surreptitiously seeking to make money.

Here are some important points to remember when thinking about opening up a checking account with a prize of \$200 hard cash:

1. REQUIREMENT TO SET UP A DIRECT DEPOSIT

Banks by requiring account holders to set up a direct deposit attempt to:

- Make sure money constantly comes into your checking account.
- Make it harder to change your bank, since it would be a hassle to notify every customer or employer of a different bank account information.

2. REQUIREMENT TO USE YOUR DEBIT CARD

The requirement to use your debit cards a minimum number of times a month guarantees interchange fees. These are fees that your bank receives from the bank to which you are paying. That is why an increasing number of banks offer debit-card rewards program.

3. REQUIREMENT TO MAINTAIN A MINIMUM ACCOUNT BALANCE

Usually, accompanied by such lucrative cash offer deals, you must maintain a minimum account balance as high as \$500.

4. QUALIFICATION DOUBTFUL

However, you might realize that after you sign up for the program, you are not eligible for it. Or after several months using it, you realize you did not have a pleasant experience using your debit cards in the past because of overdraft fees. So, you just want to pay cash. Or, you need some portion of the minimum account balance to pay your landlord.

Well, you need to understand what would be the implications of renegeing on your contract. Does it mean you have to pay back the hard cash? Does it mean you are penalized? Or, unfortunately both.

DORON EGHBALI is a Partner at the Beverly Hills Offices of Law Advocate Group, LLP. He Primarily Practices Business, Real Estate and Entertainment Law. He Could Be Reached at 310-651-3065 or DoronEghbali@LawAdvocateGroup.com. For More Information, Please, Visit: www.LawAdvocateGroup.com.