

What Do You Do When Your Bank Goes Away?

Do you remember the good old days when you knew your banker and your banker knew you? The bankers lived in the community, went to church with their customers and were active in civic activities. You shared a personal relationship with your banker.

In the 1990s, we saw a wave of large regional banks setting up branches across the nation and the decision-makers were no longer your neighbors and friends, but faceless strangers in another state who determined your credit-worthiness based on a credit scorecard.

Contrary to popular belief, big bank mergers often mean less competition, fewer branches, higher loan rates and fees and less personal service. Recent studies have shown that big bank fees are 16 percent higher than those at a smaller community bank. Following a merger, many big banks often pull out of the smaller communities in favor of the more urban metropolitan marketplaces.

Fortunately, the large bank merger-mania is on the decline and people are returning to the community bank and to people they know and trust. And while many community banks are joining forces, they are still committed to providing personal and focused services to their communities. But what should you do if your bank merges with another financial institution?

First, you need to determine if the new bank will offer the products and services you need. Talk to the customer service representative to make sure that you are signed up for the best programs to fit your needs. It may be wise to do some comparison shopping to compare products and services of the "new" bank with other banks in towns.

Should your bank merge with another financial institution, you may want to ask the following questions:



*Tips from your
Community Banker*

- Does the new bank have ATMs and how many can you use without having to pay fees charged to non-customers?
- Is the new bank offering incentives to keep you as a customer?
- Are the checking and savings account fees the same as they were at your old bank?
- How do the bank's other fees compare with other banks in town?
- Does the bank offer on-line banking services?
- What other financial services are being offered by the bank in addition to traditional banking products? Do they offer investment options, insurance, etc?
- What are the interest rates on checking and savings accounts?
- What about interest rates on credit cards and other loans?
- Are the bank personnel that you have known and trusted the same or have they been replaced?
- Are loan decisions made locally or made in another location?
- Does the bank offer special services and incentives for groups that you may belong to, such as senior citizens or small business owners?

Regardless of the reasons for a bank's merger, the one most affected is you—the customer. Make sure you investigate the effects of the merger on you and your money.

Provided as a public service by the Pennsylvania Association of Community Bankers.



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