

Newsweek

AMERICA'S BEST BANKS 2021

► Introducing *Newsweek's* first **RANKING** of the financial institutions that best serve their customers' needs in today's challenging times



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LIKE VIRTUALLY EVERY OTHER ASPECT OF OUR LIVES—

work, school, shopping, leisure, you name it—the pandemic is changing the way Americans bank. And those changes, in turn, are creating a new set of challenges and opportunities when it comes to picking the bank that best suits our needs.

For one thing, we have a newfound need and affection for savings accounts, evidenced by a more-than-doubling of the personal savings rate over the past several months, as the idea of building a solid emergency fund morphed from being an aspiration to an economic imperative. “The savings growth has been record-breaking,” says Ken Tumin, founder of the bank comparison site DepositAccounts.com. But it’s tougher than ever to find a suitable account to house those savings—one that doesn’t actually cost you money after factoring in fees, given that the average savings rate is now near zero.

Meanwhile, lockdown mode is pushing many of us to finally embrace online banking in a major way. Traffic at local banks is down substantially compared to last year, with about half of customers who previously relied on physical branches and ATMs saying they’ve increased their use of mobile apps and 35 percent making more use of their bank’s website, according to consultants Kearney. Experts believe the shift is likely to stick. “Once you get used to the technology and how easy and convenient it is to bank this way, it’s hard to go back,” says Tumin.

Customer service is also becoming a more important consideration, as complaints about financial services providers have surged, up 50 percent from March through July vs. the same time period in 2019, according U.S. PIRG. “The record level of consumer complaints is a blaring red light signaling the huge challenges consumers are facing during the COVID-19 pandemic,” says Gideon Weissman of Frontier Group.

To help you navigate this new financial landscape, *Newsweek* has partnered with LendingTree, the financial services comparison site, for our first Best Banks rankings. From a universe of more than 2,500 FDIC-insured institutions, we assessed U.S. banks and the savings and checking accounts they offer based on 55 factors to come up with a best-in-class option in 18 categories. (Find the rankings online at newsweek.com/bb-2021.) One or more of these winning bank may be the perfect choice for your family.

→ Diane Harris, Deputy Editor in Chief



Methodology

→ To identify America’s Best Banks, LendingTree in consultation with *Newsweek* culled candidates from among more than 2,500 FDIC-insured financial institutions. LendingTree then applied filters to narrow the candidates in each category, based on the most salient features for each bank type or account; LendingTree supplied the data and made recommendations for a proprietary scoring system developed by *Newsweek*, based on the most important factors for each type of bank or account. Data sources included DepositAccounts.com, info published by each bank, FDIC reports, CFPB complaints and mobile app reviews.

All together, 55 factors were assessed, including various fees, current and historical interest rates, account terms, customer service features and mobile app scores. For state winners, the best big bank needed to have at least one branch per 100,000 residents and \$10 billion in assets; the best small bank had to have less than \$10 billion in assets and be among the five banks with the most branches in the state. A bank couldn’t have more than one branch to be considered for best online bank. For best customer service, a bank had to have responded to at least 97 percent of complaints filed with the CFPB in a timely fashion to be considered. To be considered for best online savings or online checking accounts, a bank had to have fewer than 100 branches; banks needed more than 100 branches to win for either the best checking or best savings account award. (For the full methodology, go to newsweek.com/bb-2021.)

Newsweek exercised final editorial judgment when selecting winners. Current interest rate information is accurate as of September 24, 2020 and represents the highest rate a customer could earn, if all qualifications are met. The complete data set was last updated by LendingTree on September 10, 2020.

THE BEST BIG BANK IN EVERY STATE

We looked for banks with a broad local footprint—you don’t want to have to go too far out of your way when you need a branch or an ATM—that offer a winning combination of low fees, competitive interest rates and a broad array of services, including a variety of loans and a high-performing mobile app.



STATE | BANK | NO. OF BRANCHES

ALABAMA	
PNC Bank	56
ALASKA	
Wells Fargo	43
ARIZONA	
Bank of America	129
ARKANSAS	
U.S. Bank	35
CALIFORNIA	
U.S. Bank	560
COLORADO	
U.S. Bank	133
CONNECTICUT	
People's United Bank	169
DELAWARE	
Wilmington Savings Fund Society	32
DISTRICT OF COLUMBIA	
Citibank	16

FLORIDA	
Bank of America	506
GEORGIA	
Bank of America	157
HAWAII	
First Hawaiian Bank	53
IDAHO	
Washington Federal Bank	24
ILLINOIS	
U.S. Bank	190
INDIANA	
First Merchants Bank	92
IOWA	
U.S. Bank	82
KANSAS	
U.S. Bank	34
KENTUCKY	
U.S. Bank	115
LOUISIANA	
Capital One	92

MAINE	
People's United Bank	17
MARYLAND	
Bank of America	141
MASSACHUSETTS	
Eastern Bank	83
MICHIGAN	
Huntington Bank	282
MINNESOTA	
U.S. Bank	132
MISSISSIPPI	
Renasant Bank	62
MISSOURI	
U.S. Bank	206
MONTANA	
U.S. Bank	21
NEBRASKA	
U.S. Bank	48
NEVADA	
U.S. Bank	79
NEW HAMPSHIRE	
People's United Bank	25
NEW JERSEY	
Investors Bank	109
NEW MEXICO	
Washington Federal Bank	23
NEW YORK	
Citibank	227
NORTH CAROLINA	
Bank of America	132
NORTH DAKOTA	
Bremer Bank	14
OHIO	
U.S. Bank	238

STATE | BANK | NO. OF BRANCHES

OKLAHOMA		
MidFirst Bank		49
OREGON		
Washington Federal Bank		46
PENNSYLVANIA		
PNC Bank		338
RHODE ISLAND		
Bank of America		28
SOUTH CAROLINA		
Bank of America		77
SOUTH DAKOTA		
Wells Fargo		39
TENNESSEE		
U.S. Bank		89
TEXAS		
Bank of America		355
UTAH		
JPMorgan Chase		49
VERMONT		
People's United Bank		38
VIRGINIA		
Bank of America		119
WASHINGTON		
Washington Federal Bank		81
WEST VIRGINIA		
WesBanco		44
WISCONSIN		
U.S. Bank		116
WYOMING		
U.S. Bank		14
PUERTO RICO		
Banco Popular		160



BEST BIG BANK (OVERALL WINNER)

With interest rates near zero and the pandemic pushing people to do more of their banking online, a great bank needs to deliver competitive rates, low or easily-waived fees and a superior mobile app. The best-in-class choice also has to offer good customer service, the option to visit a local branch and a variety of financial products, including loans. The winner here delivers on all counts.

CITIBANK

NUMBER OF BRANCHES:

700

TIMELY RESPONSE
TO COMPLAINTS:

100%

RECENT TOP
SAVINGS RATE:

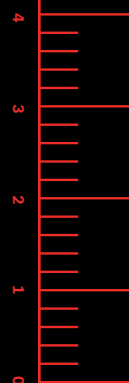
0.9%

FEE-FREE ATMS:

65,000+

MOBILE
APP SCORE
(1 TO 5
SCALE):

4.78



Best Online Savings Account

The pandemic has sparked a big jump in the personal savings rate and online savings accounts—which offer higher-than-average interest rates, accessibility and safety—are a good choice for emergency funds. To identify a winner, *Newsweek* prioritized a combination of consistently high rates, low fees and an outstanding digital customer experience.

► VARO BANK

Varo Savings Account

Recent interest rate: **2.8%**
up to \$10,000, then 0.81%

Minimum to open account: \$0



Best Savings Account for Kids

Young customers shouldn't be penalized for having only modest sums to deposit. They're kids, after all. For this category, only special accounts for those under 18 were considered; priority factors included a low minimum to open the account, no or low fees and a decent interest rate to keep young savers motivated.

► CAPITAL ONE

Kids Savings Account

Recent savings rate: 0.5%

Minimum to open/monthly fee: \$0



BEST SAVINGS ACCOUNT

Just over half of bank customers prefer using branch services some of the time to a digital-only experience, J.D. Power reports—but you'll sacrifice some yield to get this. To rise to the top in this category, a bank needed to have at least 100 branches, consistently above-average savings rates and low fees.



► HSBC

Direct Savings Account

RECENT
INTEREST
RATE:

0.5%

MONTHLY
MAINTENANCE
FEE:

\$0





YOUR MONEY

BEST CUSTOMER SERVICE

Complaints about banks have risen sharply during the pandemic—precisely when customers need good service the most. Banks with the fewest problems reported to the Consumer Financial Protection Bureau, a timely response rate, a helpful mobile app and a variety of dedicated customer service lines rose to the top of our list.

► **Commerce Bank**

COMPLAINTS WITH TIMELY RESPONSE: **100%**
MOBILE APP SCORE: **4.7**



Best Regional Bank

The winner took the top spot in more big-bank state rankings than any other financial institution in the database, dominating in the Midwest and Western regions.

► **U.S. BANK**

Number of state wins: **16**
Mobile app score: **4.75**



Best Certificates of Deposit

These timed savings accounts offer higher interest rates for leaving your money untouched for a set period, so how much you earn was the most important consideration. Factors such as penalties for withdrawing your money before the end of the term and the minimum amount needed to open the account were also weighed.

► **LIVE OAK BANK** **Six-Month CD**

Recent rate: **0.6%**
12-month average rate: **1.52%**

► **PRIMARY BANK** **12-Month CD**

Recent rate: **0.95%**
12-month average rate: **1.52%**



Best Online Bank

With lower overhead than brick-and-mortar institutions, banks that operate primarily online typically offer higher rates, plus lower fees. Lately the rate advantage has shrunk, making low fees more critical, along with great customer service and a killer mobile app.

► **DISCOVER**

Recent checking rate: **1% on up to \$3,000 in debit purchases a month**
Mobile app score: **4.79**



C.J. BURTON/GETTY

THE BEST SMALL BANK IN EVERY STATE

Sometimes smaller can be better, with more personalized service and a perk or two that bigger banks don't offer. Each of these small bank winners is among the five institutions with the most branches in its home state and sports comparatively low fees, competitive yields and a good mobile app.

STATE | BANK | NO. OF BRANCHES

ALABAMA

Bryant Bank 16

ALASKA

Mt. McKinley Bank 5

ARIZONA

Commerce Bank of Arizona 4

ARKANSAS

Bank of England 6

CALIFORNIA

Mechanics Bank 146

COLORADO

NBH Bank 48

CONNECTICUT

Newtown Savings Bank 15

DELAWARE

The Bank of Delmarva 4

DISTRICT OF COLUMBIA

City First Bank of D.C. 1

FLORIDA

First Federal Bank 23

GEORGIA

Queensborough National Bank & Trust Company 23

HAWAII

Territorial Savings Bank 29

IDAHO

Bank of Idaho 10

ILLINOIS

First Mid Bank & Trust 58

INDIANA

German American Bank 50

IOWA

Fidelity Bank & Trust 30

KANSAS

Community National Bank & Trust 25

KENTUCKY

Stock Yards Bank & Trust Company 29

LOUISIANA

First Guaranty Bank 27

MAINE

Machias Savings Bank 16

MARYLAND

Shore United Bank 17

MASSACHUSETTS

East Boston Savings Bank 41

MICHIGAN

ChoiceOne Bank 27

MINNESOTA

Merchants Bank, National Association 21

MISSISSIPPI

The Citizens National Bank of Meridian 24

MISSOURI

Southern Bank 37

MONTANA

TrailWest Bank 14

NEBRASKA

Security First Bank 22

NEVADA

Valley Bank of Nevada 2

NEW HAMPSHIRE

Mascoma Bank 15

NEW JERSEY

1st Constitution Bank 27

NEW MEXICO

First American Bank 15

NEW YORK

The First National Bank of Long Island 52

NORTH CAROLINA

HomeTrust Bank 20

NORTH DAKOTA

Dakota Community Bank & Trust 11

OHIO

Park National Bank 105

OKLAHOMA

First United Bank and Trust Company 31

OREGON

First Federal Savings and Loan Association of McMinnville 8

PENNSYLVANIA

Bryn Mawr Trust 32

RHODE ISLAND

Centerville Bank 8

SOUTH CAROLINA

First Palmetto Bank 23

SOUTH DAKOTA

First Dakota National Bank 18

TENNESSEE

Reliant Bank 27

TEXAS

First Financial Bank, National Association 78

UTAH

Cache Valley Bank 16

VERMONT

Union Bank 14

VIRGINIA

Carter Bank & Trust 75

WASHINGTON

Heritage Bank 55

WEST VIRGINIA

Union Bank, Inc. 8

WISCONSIN

Nicolet National Bank 38

WYOMING

Central Bank and Trust 5

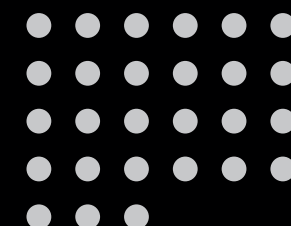


BEST SMALL BANK (TIE)

A hometown bank that offers the personalized feel of local branch service while delivering competitive rates and mobile banking performance on par with larger national banks can be a great choice for many customers. Add in low fees and a variety of financial products, including loans, and you have a small-bank winner.

FIRST GUARANTY BANK (LOUISIANA)

NUMBER OF BRANCHES: 27

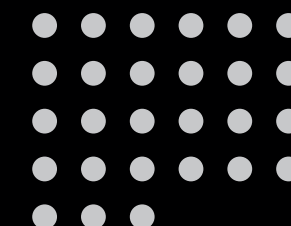


MOBILE APP SCORE (1 TO 5 SCALE):

4.75

1ST CONSTITUTION BANK (NEW JERSEY)

NUMBER OF BRANCHES: 27



MOBILE APP SCORE (1 TO 5 SCALE):

4.61





BEST CHECKING ACCOUNT

Brick-and-mortar banks typically pay zero or next-to-nothing on checking accounts; since they're most often used for everyday cash and bill-paying, that may not matter much—as long as you're not actually losing money due to high fees. That's why low fees (service, ATM, overdraft) were the top consideration in this category for banks with more than 100 branches.

▶ CENTENNIAL BANK

Freedom Checking

MONTHLY MAINTENANCE FEE:
\$5, WAIVED WITH E-STATEMENTS

ATM FEES: REIMBURSEMENTS OFFERED



Best High-Yield Checking Account

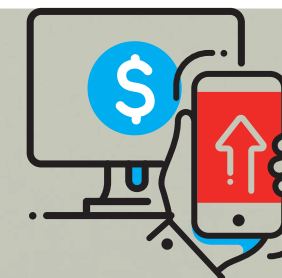
When the category is all about high rates, a winner has to deliver a stellar payout; interest-rate factors made up two-thirds of the total score for these accounts and only those offering rates above 1 percent were considered. Fees for things like ATM use and overdrafts were also weighed.

▶ FIRST SECURITY BANK & TRUST

Kasasa Cash

Recent interest rate: 2.01%
up to \$50,000

Monthly service fees: \$0



Best Online Checking Account

A big advantage of many online checking accounts: no monthly maintenance fees or charges for using out-of-network ATMs. That was a minimum requirement for our winner, along with a well-regarded mobile app and a high interest rate—but you will have to meet direct-deposit and debit-card purchase requirements to earn that top yield.

▶ FIRST SECURITY BANK & TRUST

Kasasa Cash

Recent interest rate: 2.01%
up to \$50,000

Mobile app score: 4.72



Best Traditional Checking Account

Some bank customers prefer to go old school for checking; they want branch access, physical checks and paper statements and don't want to be forced to bank or pay bills online to receive top rates and avoid fees. The winner offers all that, plus free checks and ATM reimbursements, if you're over age 50.

► CENTENNIAL BANK Diamond Checking

Minimum to open account: **\$100**
Monthly service charge: **\$0**



Best Checking Account for College Students

College students need features that suit their age and lifestyle, including no or low ATM charges because they tend to use more out-of-network machines; low fees if they occasionally trip up and overdraw the account; and low minimums to open the account and avoid monthly charges. A good mobile app also helps.

► AXOS BANK Essential Checking

Minimum to open/monthly fee: **\$0**
ATM fees: **unlimited reimbursement**



Best Free Checking Account

Fee avoidance was the top consideration for this category. Only banks that do not charge a monthly maintenance or service fee were considered; other fees made up 40 percent of the score. A low minimum to open the account and a competitive yield were also key factors.

► BAY STATE SAVINGS BANK Free Kasasa Cash

Recent interest rate: **2.01%**,
up to **\$20,000**
ATM fees: **unlimited reimbursement**



Best Small Business Checking Account

Business owners need a good blend of solid interest rates and low fees to avoid eating into their profits, especially since many small business owners may not have a lot of cash on hand at the moment thanks to the pandemic. The winner offers no monthly fee, unlimited transactions and \$10 in ATM fee reimbursements each month.

► FIRST INTERNET BANK Small Business Checking

Recent interest rate: **0.5%**
Minimum to earn interest: **\$10,000**

YOUR MONEY

