

Two Options if you Have Developed a Poor Banking History:

Option 1: Try to Remedy the Situation⁵²

- Obtain a copy of your credit report and correct any inaccuracies in your credit file. A low score can sometimes be the result of errors on your report.
- Obtain a copy of your ChexSystems report. Some banks do not check credit history but they will check ChexSystems. If you have a negative history with a bank, try to settle your debt. Sometimes banks will let you reopen a closed account if you pay what you owe.
- Open a savings account. Savings accounts can facilitate many of the same transactions as a checking account, minus the checks and debit cards. Most savings accounts can receive direct deposits and some may offer an ATM card. After maintaining your savings account for a little while – even with a negative credit history – some banks will allow you to open a checking account.
- Open a checking account at a local credit union. Credit unions usually have more relaxed standards than do traditional banks. To open a checking account at a credit union, you may only need to open a savings (or shared) account first.
- Open an account with a bank affiliated with your employer. Direct deposit has become more popular and many workplaces have special arrangements with banks to open accounts. Check with your HR department for more information.
- Open a prepaid Visa/MasterCard account. Prepaid, reloadable cards generally do not require you to open a bank account. They function like a debit card or gift card that you can use anywhere. You will be able to pay bills, accept direct deposits, mail in deposits, and make ATM transactions.

Option 2: Open a “Second-Chance” Checking Account

Some banks and credit unions offer second-chance checking accounts for those whose names are in the ChexSystems database. These accounts can help individuals rebuild their banking histories; however their services are usually fairly limited.

Some limitations of second chance accounts include monthly fees that cannot be waived and requirements such as setting up direct deposit. However, these drawbacks are usually worth it

⁵² Spencer Tierney & Margarette Burnette. “5 Steps to Clear Up Your ChexSystems Record.” *NerdWallet*, May 3, 2019. <https://www.nerdwallet.com/article/banking/banking-basics/steps-to-clear-up-your-chexsystems-record>