

Title:

Debit Report - What Is It And How Does It Effect You?

Word Count:

495

Summary:

Few consumers are aware that there are companies tracking all of their personal financial transactions - bankruptcies, credit cards, installment loans, mortgages and judgments. On the other hand, unless you were raised in a cave you've heard of a credit report and most likely understand that it's a record of all of your purchases. Credit reports are primarily assembled by three credit bureaus (Equifax, TransUnion and Experian) which is then available upon request from most le...

Keywords:

Article Body:

Few consumers are aware that there are companies tracking all of their personal financial transactions - bankruptcies, credit cards, installment loans, mortgages and judgments. On the other hand, unless you were raised in a cave you've heard of a credit report and most likely understand that it's a record of all of your purchases. Credit reports are primarily assembled by three credit bureaus (Equifax, TransUnion and Experian) which is then available upon request from most lenders, mortgage brokers or credit bureaus.

Credit reports tell these businesses, in summarized form, how an individual has handled credit in the past and is the primary tool being used to decide whether or not they are worthy of being granted more credit in the form of a loan or additional credit cards. However, what people don't realize is that there is a company that keeps track of the banking transactions of American consumers but unlike credit reports, that information is available only to banks in the form of a debit report. You may not have heard of a debit report, but it can affect you in ways you may not even realize and it can prevent you from opening a bank account.

Debit reports are compiled and maintained by a company called ChexSystems, which also maintains a database of banking transactions by consumers and creates a debit score based on whether or not an individual has ever had an account forcibly closed, their history of deposits, withdrawals and overdrafts. In a

nutshell, you probably don't have an entry in the ChexSystems database unless you have a history of writing bad checks, consistently overdrawing your account or you've had a bank account closed. Of course, mistakes are sometimes made that results in individuals having incorrect entries input into the database that they have no way of finding out about until their request to open a checking account is denied by their bank. Most banks currently use this system and while some provide a little latitude, most will refuse to do business with anyone who has a negative entry in the "debit report" database.

The system was originally designed to simply keep track of people who were writing bad checks, but over the past 30 years it's evolved into something much more complex. Consumers are entitled to receive a copy of their report from ChexSystems, but few people request one; most likely because they have never heard of the company or the report. Because it's nearly impossible to operate in today's society without a bank account it doesn't hurt to at least be aware of this system. The last time we checked, ChexSystems didn't have a website but they can be reached by phone at 800-428-9623.

On a positive note, there are numerous third party websites devoted to helping people who have had problems establishing bank accounts due to problems with their debit report. Simply do a search for "ChexSystems" using your favorite search engine.

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