

# FIGHT FOR YOUR RIGHT TO A BANK ACCOUNT!

*Get Out of ChexSystems Now!*

The American banking system has taken a wrong turn. Several wrong turns, in fact; although the one concerning me most right now is the plight of America's unbanked population. Far too many people are locked out of the banking world—but it doesn't have to be so. There is a way back in.

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<http://www.getoutofchexsystems.com>



# FIGHT FOR YOUR RIGHT TO A BANK ACCOUNT!

## *Get Out of ChexSystems Now!*

Something has gone terribly wrong with the American banking system. This country's financial institutions at one time took pride in serving their neighborhoods--common, decent, ordinary working people--but no longer. The fact is, banks have been progressing more and more towards serving the elite, and forgetting the rest of us. Their increasingly aggressive account policies make it clear that banks simply don't want to be bothered with small account-holders who merely deposit their paychecks every week and pay their bills. We don't make them enough money.

ChexSystems, a database maintained by Deluxe Corporation, helps banks achieve that goal. This company, which is not accountable to consumers, holds all negative information about your banking habits. If you ever bounced a check because you were a few hours late to get to the bank to make a deposit, you're on the ChexSystems report. If an automatic debit hits an account you just closed, you're on the list. ChexSystems makes no differentiation between someone who is overdrawn a couple dollars for an honest mistake, and someone who tried to commit a fraud.

And once you're on the list, you're on it for five years. No exceptions. And most banks, if you are on that list, will not open a bank account for you. That's why there has been such a proliferation of check-cashing stores, which rip you off by charging three to five percent of your paycheck to cash it for you. America's unbanked population is getting larger by the day.

The idea, on the surface, is that ChexSystems protects banks against people who commit fraud against them. Well and good, but that's really not what happens. The vast majority of people on ChexSystems are not criminals, just people who may have made an accounting error, been late to the bank, or just couldn't avoid becoming overdrawn for one reason or another. Many people on the list have already made good whatever debt put them there; it makes no difference. You're still on the list.

At last count, at least 80 percent of all banks are ChexSystems banks and that figure is growing daily as more financial institutions sign up. It's getting harder to tell which banks do not use ChexSystems, and the many free non ChexSystems bank lists that you find online quickly become out of date. Banks that do not use ChexSystems today may well become a ChexSystems bank tomorrow.

You're reading this because you're looking for a non ChexSystems checking account, but have found it difficult to locate a non ChexSystems bank in your area. You're tired of paying the check cashing store's fees, and want to get out of ChexSystems. In your efforts towards ChexSystems removal, you may have even contacted your old bank, or ChexSystems itself, and chances are, you got nowhere.

There's a lot of information about how to find banks not using ChexSystems. The Internet is full of systems, lists, schemes and scams that offer a checking account for people on ChexSystems. Some of them cost a lot of money, some are free. Some of them are very useful. But here, we'll provide some useful information for free. After searching through and researching information about having a bank account with no ChexSystems, we've come up with some good information, some tips and tricks, and a solution for those who want to have a bank account with no ChexSystems.

## Your Strategy

There are actual several things you can do. The first thing you need to do is arm yourself with information.

Secondly, avail yourself of a "second chance bank." You can find some of these on our web site at <http://www.getoutofchexsystems.com>. These banks do not use ChexSystems, and offer you a legitimate, full-fledged checking account with online bill paying, direct deposit of paychecks, and a debit card that can be used anywhere. Getting an account here will immediately take you out of the endless loop of check cashing fees and money orders, and will save you a good deal of money right now.

Ultimately though, you probably want to have a local bank branch, and you can do this too. After you've addressed your immediate dilemma with a second chance bank from our web site, then it's time to get to work. Now you need to get a copy of your ChexSystems report. If it is inaccurate, dispute it.

If the report is accurate, the negative listing stays for five years, but the battle's not over yet. Next, contact the bank that issued the listing, and make sure to pay off anything you owe them, and ask them to remove the listing. It's up to them, at their discretion, to do so, but it won't hurt to make the request.

Next, even if you are still on ChexSystems, at this point, you have your "second chance" account, and you have paid off whatever debt caused you to be on the list in the first place. Now, you can go to work finding a local bank that will give you an account even if you are on the list. When you approach a bank now, be sure to carry with you your documentation that your obligations have been paid. The bank is still under no obligation to open an account for you, but you have a much better chance of getting a local account if you've taken care of the obligation and have an explanation for what caused the problem.

## SHOULD YOU USE A PREPAID DEBIT CARD INSTEAD?

One solution that is often offered for those who are on the ChexSystems report is to acquire a prepaid debit card. In many cases, you can get one of these, even if you have been unable to get out of ChexSystems. There is an upside and a downside to this strategy.

The downsides are these: First of all, it's not a bank account, it's a debit card, and what you can do with it is limited. You can't write checks, and many of them do not have online bill pay facilities. Also, depositing money into your debit card account may be problematic, since most of the non ChexSystems bank debit cards are run by national companies that are not likely to be near your home. They don't have branch offices. Deposits often must be made by expensive wire transfer. And since one of the main purposes of getting one is to avoid having to pay check cashing fees, this defeats the entire purpose of getting the card. And lastly, many of these debit cards take advantage of people looking for a non ChexSystems checking account by charging high sign-up fees and high monthly usage fees.

There is an upside. If you shop around for a good debit card, you can find one with lower fees and more services. You still won't be able to write checks, but if you get a debit card that has online bill pay services, you may not need to. Some debit card companies have arrangements with local outlets to take deposits over the counter.

Chances are, the local ChexSystems bank that denied you an account isn't going to give you a debit card; the best way to find one is online. There are banks not using ChexSystems that specialize in offering these cards. But like any other product, there are good ones and bad ones, so be sure to read the fine print and find out what all the fees are going to be. Some of them charge monthly fees of up to \$20, in addition to a sign-up fee that can be as high as \$100. Most of them also charge usage fees. Although the monthly fee can't be avoided, you can find one with a lower and more reasonable fee. And although all providers do charge for withdrawing cash out of an ATM, you shouldn't have to pay more than \$2 for the privilege. And don't ever settle for a card that charges you whenever you use it to make a purchase.

A debit card may be just the thing for you if you have a hard time finding banks that do not use ChexSystems. Many of the free non ChexSystems bank lists actually aren't listing full-featured checking accounts for people on ChexSystems, rather, a list of places that offer debit cards. Keep the debit card option open. ChexSystems removal is nearly impossible, and more banks are becoming ChexSystems banks every day--making the quest to find which banks do not use ChexSystems an increasingly difficult one.

## THE PLIGHT OF THE UNBANKED POPULATION

Thanks to stricter bank policies and an increasing number of ChexSystems banks, there are millions of people in America that are unbanked. By most estimates, nearly a quarter of the workforce in the United States has no bank account. But it's not for want of trying, it's just that once you're in the ChexSystems report, it's nearly impossible to get out of ChexSystems. So today, millions of good working people are looking for banks that do not use ChexSystems, but those banks are getting fewer in number.

Although a small handful of the unbanked population are unbanked because they have willfully committed some act of fraud against a bank, the vast majority are guilty of nothing but a minor accounting error, or having the bad fortune of running their bank account too close to zero for too long. The unbanked for the most part are honest people, but mostly low to moderate income workers, hourly employees toiling for minimum wage, people who get government benefits, unemployment, or just make a living from week to week. There's no shame in living from paycheck to paycheck. Nobody wants to, but a surprising number of us do just that.

This surprisingly large sector of the American population is not served, or worse, disserved by America's banking system. Banks that do grudgingly agree to open accounts for us wage slaves charge high fees if we don't keep unsupportable minimum balances; they slap us with usage fees at every turn; and they just wait for us to make a two dollar accounting error so they can shut us out. Then after that happens, we have to turn to expensive check cashing stores, which charge anywhere from two to five percent to cash our paychecks. These same check cashing stores often have predatory practices, enticing us with "payday loans" that far exceed any reasonable rate of interest and fees that should be charged.

Fortunately, there are still a few good bankers out there, and there are still a few banks not using ChexSystems. But here too, there are predatory practices, with some non ChexSystems banks charging excessively high maintenance and usage fees; and others offering very limited debit cards that again carry hidden fees that victimize the poor. When you're trying to find out which banks do not use ChexSystems, there are bad options and there are good ones. There is a way out, and you don't have to pay excessive fees to get it. Do your research, read the fine print and compare prices. We have, and have discovered the Second Chance Bank Account to be one of the most reputable possibilities, and one with the lowest fees. As always, do your own comparison shopping. You don't have to be left out in the cold if you don't want to.

## WEASELING YOUR WAY BACK INTO THE BANK

If you're on the ChexSystems report and have been denied a bank account, the first thing to do is figure out a quick alternative, such as a prepaid debit card, or something like the Second Chance Bank Account (insert link). Resorting to the check cashing stores will just cost you more money. But meanwhile, there are also things you can do to win your way back into the heart of your local banker.

Even if there are no banks that do not use ChexSystems in your local community, don't give up hope. You may not be able to get out of ChexSystems for five years, but there are some ChexSystems banks that do make exceptions. Mind you, there are not many. Most banks make an automatic decision to deny you an account if you show up on the list. Regardless, it won't hurt to try to make an argument to the bank manager.

First, be aware of who you need to make the argument to. Chances are, the teller or bank clerk who is refusing to open an account is not authorized to override the ChexSystems report, so don't waste your time there. Go to the bank manager and plead your case. True, the bank is under no obligation whatsoever to give you an account, and many times they won't, but sometimes they will, so give it a shot. Suppose, for example, that you've been ChexSystem'ed for a minor infraction. First, make sure you've made good all debts that resulted from the infraction--paid all fees, made good any bad checks, etc. Make sure you have lots of documentation, and lay out everything in writing. If you present a good case, you may just have a shot at it.

Second, although there is no such thing as ChexSystems removal--once you're on the list, you're on it for five years--but you are entitled to add a statement to your ChexSystems file. Unfortunately, when the bank runs their check on you, all that comes back is a positive or negative, your statement won't be included--but it's a small step and it won't hurt to add it to your arsenal.

A third way of getting back into the bank's good graces--even if it's a ChexSystems bank--is money. If you are a large depositor, or are in a position to deposit several thousands of dollars--chances are, the bank will override. Because after all, this isn't about preventing fraud, it's about money. Of course, this one's a long shot, and most people that are in ChexSystems won't be in a position to do this, because it's a system that primarily targets low- and moderate-income people and attempts to disenfranchise them of their right to have a bank account.

The bottom line is, you don't have to give up without a fight, there are ways to get back in, and there are alternatives if you don't.

## HOW CHEXSYSTEMS WORKS

When you first look at it, it really does sound like a legitimate function. Banks do get defrauded, and they are entitled to take steps to prevent that from happening. ChexSystems purports to maintain a list of people who defraud or are likely to defraud banks.

When most people that are not on the ChexSystems report hear about it, their response is, "well, if you're on the list, you must have done something wrong." Well, it doesn't quite work that way. The "list" is more akin to putting jaywalkers into the same prison cell with murderers. If you got two dollars overdrawn because your paycheck got deposited late, you're in the same category as someone who willfully wrote a hundred thousand dollars' worth of bad checks. Essentially, here's how it works.

Somewhere between 80 and 90 percent of all banks in the U.S. are ChexSystems banks. They subscribe to this electronic service, and when someone wants to open an account, the bank clerk will check the database to see if you are on it. Although the argument is that the banks themselves make the decision, in almost all cases, they automatically go with the ChexSystems report. If you're on the list, you don't get an account. You stay on the list for five years.

If a bank closes your account "for cause", you are on the list. The vague "for cause" reason can be one of several different factors: it can mean you owe the bank for an overdraft or other transaction fee, even if it is a small amount of just a few dollars. It can mean you have had an excessive amount of overdrafts. On the other hand, it can be for more serious reasons, such as fraud or abuse of your ATM card, or for providing false information. Unfortunately, in many cases, the bank makes no distinction. You are denied an account if you owe some other bank five bucks, just the same as if you committed a major fraud. ChexSystems puts you on the list, and when the bank checks their database, the only information the bank gets is whether you are on the list or not. There is no distinction between someone who committed a major fraud and swindled a bank out of thousands of dollars, and someone who wrote a single bad check for ten dollars by mistake.

You cannot get out of ChexSystems for five years. There is no such thing as ChexSystems removal, and it is becoming increasingly difficult to find banks not using ChexSystems. They are obligated by the Fair Credit Reporting Act to allow you to add a statement to your report. However, that won't do much good, since when the bank runs your report, they get back only one of two very simple responses: Either "No records found--approve" or "Records found--decline." You must request a paper copy of your ChexSystems file, and take it yourself to the bank manager and present it to him/her and make your appeal.

### Giving False Hope

Unfortunately, some banks have a policy, designed for their own convenience, of automatically approving your account, taking your initial deposit, eating up your valuable time, and then not checking ChexSystems until after you've already left and the paperwork is being processed in the back office. At that point, if you're on ChexSystems, the bank will close the account you just opened, and refund your deposit.

It's a mystery why some banks do this. It's very easy for the bank officer opening the account to check ChexSystems on the spot, while you're sitting there in front of them, and doing so will save you a great deal of time, and possibly avoid causing the bank to hold up your use of your own money. But, since when do banks care about the little guy? Some banks simply believe it's more expedient for them to do the check after the fact. And so, the lesson to be learned here is, ***never believe anything a banker tells you.*** If it is convenient or expedient for the bank to disservice and inconvenience you, they will do it.

Other banks will do a periodic "sweep" on all of their accounts, which means that even if you have had an account in good standing for a long period of time, you are still subject to a spot check. The bank will do checks on all their accounts to see if anybody has turned up on ChexSystems since opening the account. It is possible therefore, if you have gotten on the bad side of one bank with an overdraft, but are still in good standing at a second bank, that the second bank will close your account as well.

We discuss this possible scenario—which can and does happen—to make you aware of what can happen. However, not all bankers are evil, and these scenarios won't always happen. Just be prepared for any inevitability.

And having said that, even though it is possible that your bank may do a "sweep" and find out you've overdrawn an account at another bank, you still have a chance. It is up to each bank's discretion, and in some cases, even up to the individual bank officer's discretion whether or not to continue your account. So—if you have a good record with bank number one, and a bad one with bank number two, do your best to stay in good with bank number one. That way, when they do discover your naughty history with the other bank, you will have something to go on, that being your good record.

## WHAT TO DO IF YOU FIND YOURSELF ON CHEXSYSTEMS

If you discover that you are on the notorious "list," here are the things you should do:

1. If your bank did not already close your account, don't close it yourself. Even a ChexSystems bank, if you are in good standing with them, won't always automatically close your account, so make every effort to keep your accounts open and in good standing. If you do close our accounts, you may not be able to open a new one for five years.
2. Do some research on banks that do not use ChexSystems. See if you can find a non-ChexSystems checking account or banking account, either locally or through an Internet bank. You can find a reputable non-ChexSystems bank on our web site at <http://www.getoutofchexsystems.com>.
3. If you don't know already, find out exactly why you are on the list, and make good whatever put you there. Pay off all your overdrafts, bad checks, NSF fees, etc.
4. Get an explanation inserted into your ChexSystems file.
5. Get a copy of your ChexSystems report.

### Pay off any overdrafts

You may be on the list because you are overdrawn at a bank or owe them overdraft fees. In some cases, these fees may not even be that much money. Find out what those fees are, who you owe them to, and then pay them off! If you can't pay them all at once, make an arrangement with the bank to pay them over several installments.

Will paying off the debts get you off the ChexSystems list? No. Even if you no longer owe, you're still on the list. But, some banks are flexible, and they will open an account for you, even if you are on the list, if you have paid off all debts. Not all banks will do that—you just have to give it a shot.

Once you do pay off any money owed to the bank, the bank is legally obligated to report that fact back to ChexSystems, and ChexSystems will then update your report to show that you have paid the obligation. The report will still show that it existed however. For example, instead of showing an overdraft with a \$100 debt, it will show that you once had an overdraft but have since cleared it.

### Adding a Personal Statement to your report

Just like your credit report, you can also add a personal statement to your ChexSystems report. They don't make this particularly easy. Their web site is only informational, and their toll-free number is automated and you cannot talk to a person. The only way of contact is by mailing their headquarters in Woodbury, Minnesota.

Will it help? It's a long shot. In most cases, the bank simply checks to see whether you are on the system or not, it does not bother to read your report. The bank's computer checks against the list, and if you're on it, you are automatically denied. So in most cases, that statement won't help. But, that's not to say you shouldn't do it. You need all the help you can get, and

fixing credit is best done with a scattershot approach—throw everything you can at the problem and see what sticks. If you get lucky enough to get a friendly bank employee, you can explain your situation, tell them that you are disputing the ChexSystems record or have extenuating circumstances, and ask them to read your full report and view your personal statement.

## Getting a copy of your report

You can get a copy of your ChexSystems report. Beware of companies trying to sell you a copy of your ChexSystems report, you can get it yourself for free from ChexSystems' web site at <http://www.chexhelp.com>. If you do not have access to the Internet, you can write to them and ask them to mail you a copy at:

ChexSystems Consumer Relations  
7805 Hudson Road  
Suite 100  
Woodbury, MN 55125  
(800) 428-9623  
Fax (602) 659-2197

Under the Fair and Accurate Credit Transaction Act (FACTA) amendment to the Fair Credit Reporting Act (FCRA), you are entitled to a free copy once every 12 months, and if ChexSystems was used in a decision to deny you a bank account.

## Getting the Bank to Remove your Name

They don't have to do it.

Even if you pay off your obligation to the bank, all they are required to do is report that you have paid. They are not obligated to remove you from the list.

However, they do have that option. A bank can request that the record be removed. Can you get them to do it? That's another story entirely, but it is possible. It's up to the bank's discretion.

## DISPUTE LETTERS

In most cases, you are on ChexSystems for a valid reason, or at least, at ChexSystems and the bank considers to be valid. If this is the case, no matter how small the infraction, you cannot be removed from the ChexSystems list for five years. But, if you are listed in error, you do have recourse. ChexSystems is a large bureaucracy, and like all large bureaucracies, do make mistakes sometimes. If you are on the list and can't pinpoint any incident that would land you there, do not assume that ChexSystems is correct. You do have the right to request an investigation, and you have the right to have your name removed if it has been placed there in error.

Because ChexSystems is a credit reporting agency, they are bound by the same laws as Equifax, TransUnion, and Experian. If you have a dispute, you may state your dispute and ask for an investigation by mailing a letter to:

ChexSystems Inc.  
7805 Hudson Road, Suite 100  
Woodbury, MN 55125

In the letter, outline clearly what the nature of the dispute is, and include copies of any documentation you may have. Be aware though, that having paid off a bank's claim is not grounds for removal. The bank is obligated to update your listing to reflect that your obligation has been paid, but your original offense will still stay on your file, so long as it was legitimately placed there—unless the bank itself decides to delete it.

Include your full name, complete address, social security number, and your Consumer ID number which is listed on your ChexSystems report.

Tell ChexSystems in the letter that you believe the information is incorrect and that you dispute its accuracy. Request that they validate the information from the bank, and that the incorrect information be deleted from your account.

Be polite but firm in the tone of your letter. Type it neatly, never use profanity or threatening language, but do show that you are aware of your rights under the Fair Credit Reporting Act (FCRA).

### Evidence Required

It may happen that ChexSystems will decide that your negative file is legitimate after a simple phone call to the bank, which reports to them verbally that yes, you were indeed naughty. Then, ChexSystems sends you a simple form letter stating that they have verified the notation.

But, did they give you any *evidence*? No! Are they required to do so under the FCRA? Yes! If they reaffirm the negative listing, they must provide you with written evidence from the bank that you have "sinned." If they do take this tactic, another letter is in order, this one a bit more strongly worded. Inform them that they have not provided you with any evidence of the negative listing and that their investigation is inaccurate and in violation of the FCRA.

Ask ChexSystems in your letter to provide you with a description of the procedure they used to verify the accuracy of the negative listing; and that they must provide you with solid written evidence of the infraction or remove you from their list immediately. Inform them that if they do not, then you will file a complaint with the FTC and the state Attorney General's office, and that you may take legal action against them for violation of the Fair Credit Reporting Act.

## Mysterious Creeping Records

One thing that happens often with credit reporting agencies, and with ChexSystems as well, is that you will successfully dispute an item, it will be removed, but then it will reappear a month or two later. Then you must start the process all over again.

For this reason, if you have been successful in getting the negative item removed from your ChexSystems record, go to the bank *immediately* and get a checking account. Don't wait, or you may find yourself back at square one.

## STAYING OUT OF CHEXSYSTEMS

ChexSystems has a front organization called Consumer Debit Resource, which claims to offer helpful advice to people about staying out of the ChexSystems "list." This organization provides educational programs to teach people basic skills about handling bank accounts and managing their checkbooks. For the most part, it's very simplistic advice that is not of much use. People on ChexSystems are not stupid people, most of them know how to do basic math, and don't need this type of insulting hand-holding.

However, there are a few good things to know:

One very common way of getting on the list is forgetting to stop automatic debits after you close a bank account. If you switch banks for example, make sure all automatic payments are stopped or switched over. If one of those automatic debits hits the day after you close your account--you guessed it, you're on the list.

Also, there is a relatively recent piece of legislation called "Check 21." This allows banks to clear checks between themselves electronically, which means they save money by not having to physically ship paper checks to one another. As a result, checks, even out of town checks, can clear in a matter of hours when before it could have taken days. If you think you have a little "float," you're wrong. Writing a check in the morning and putting money in the bank at noon could still send you to the notorious black hole of banking called ChexSystems.

A curious twist of "Check 21" is that although banks can clear the checks you write immediately, and usually do so, they are under no legal obligation to clear the checks you *deposit*, even though they can clear these funds immediately as well. If you deposit a check, the bank can get your funds immediately, but they don't have to credit your account immediately. Make sure you have a very clear understanding of check holding policies.

And as always, if you do wind up on the list, remember that there are banks that do not use ChexSystems.

### Be Careful of Automatic Debits

Allowing a credit to automatically debit your bank account can be a great convenience. The idea is that you don't have to sit down and write a check every month, and you won't risk forgetting and end up paying late. If you always have plenty of money in your account, there's nothing wrong with this process, and it can be very beneficial.

However, one must use caution. If you are like most people, there are times during the month when your checking account gets low. If that automatic debit hits during that low time, you will get hit with an overdraft fee, and you may end up on ChexSystems as a result.

And—if for some reason you close a bank account, and you had been allowing automatic debits from that account, make sure the creditors that were automatically debiting your account have stopped doing so before you close the account. It is very common for a creditor to have not processed your request on time—and the debit will be sent against a closed account. This too, can land you on ChexSystems.

## Be Proactive

It is up to each individual bank to decide on its own reporting policy. Some banks may report you to ChexSystems for a single overdraft for any reason, some may not report you unless you are overdrawn for an extended period of time. The lack of uniformity has caused a great deal of confusion and heartache for people who find themselves on this wretched list.

Because of this confusion, the first thing to do is to try to stay in the bank's good graces at all times, never become overdrawn even for a single day, and play by the rules. But, things happen. Maybe a check you received bounced after you deposited it, causing your own checks to bounce. Maybe you forgot about an automatic debit and didn't put money into your account until the day after it went through. Things like this happen all the time—small, innocent mistakes. If this does happen, the first thing to do is not to worry, but to contact the bank immediately, and in person, if possible. Tell them what happened, and how and when you will make it good. Ask the banker directly about the ChexSystems policy and whether or not you will be reported. Just by showing your concern and diligence, there is a very good chance that you could circumvent getting reported.

## Be Aware of Check 21

Not too long ago, banks cleared checks manually by sending them by courier to one another. It was theoretically possible to "play the float", in some cases, by using an out-of-state bank in a remote location, since that would add a couple extra days to the clearing process.

The "Check 21" law instituted electronic clearing, which makes things vastly more efficient for the bank, and for you too, if you are diligent with your account. It allows banks to clear checks by sending electronic copies, rather than the actual, physical paper check. As a result, a check can clear in many cases within one day, regardless of where the bank is physically located.

What this means for you is that there is no float. Writing a check at the grocery store the day before payday, and then rushing to the bank when you get your paycheck, has become risky business. It may still work sometimes, but you are skating on thin ice when you do this as a result of this new process. ***If you are doing this, stop.*** Never write a check unless you have money in the account to back it up, at the time of issuance. Even depositing your check the next day may not be good enough—the check may have already gone through and bounced by the time you get to the bank.

Now, one would think that this works both ways. If the checks you write clear right away, the deposit you put in the bank should also clear right away. This is regrettably not the case, and Check 21 carries no such requirement—although the banks clearly have the technology to make it so. And so, the lesson here is, the banks get to have their cake and eat it too. They get to take away your "float," while still keeping it for themselves. Fair? No. But it's a fact of life that you have to get used to. Follow these two simple rules:

- Only write checks if you have money in the bank when you are writing them.
- Make sure your deposit has cleared before you write a check against it.

## HAVE A FRIEND THAT'S A BANK TELLER? DON'T TRY IT....

You're on the list, and you've been having a hard time trying to find banks that do not use ChexSystems. You've given up on the idea of ChexSystems removal and have come to the realization that you just can't get out of ChexSystems. Realizing that your drinking buddy is a bank clerk, you get a bright idea....

Of course, your idea is to go to the bank where your friend works, and have him open the account for you. Since he's your buddy, he'll overlook the ChexSystems, right?

If it were only that simple. Yes, your friend may well be able to do that, but there will be some consequences that he may not be aware of. ChexSystems also has a service that is delivered to the bank's upper management, called "Audit check." This tracks all overrides done in the bank, and the bank manager gets a list of them at the end of every month. The result? Your friend's boss finds out. Your friend gets fired, and your account gets dropped.

## BANKS THAT DO NOT USE CHEXSYSTEMS

Less than ten percent of banks are non ChexSystems banks. That number is dwindling rapidly, and more sign up each day. In many cases, you might not even be able to find banks not using ChexSystems in your town. However, you don't have to stop there. There is no law that says you cannot use an out of town, or even out of state bank (or even an out of the country one, for that matter). You may well be able to locate a place where you can get a non ChexSystems checking account in another town.

This does however, bring up the inconvenience of banking, since it takes away your ability to drop down to your local branch and make deposits. And yes, it is an inconvenience, but not as big as inconvenience of not having an account at all. Most banks now have at least minimal Internet banking and online bill paying facilities. Direct depositing your paychecks will also eliminate a lot of the headache of depositing your checks, and as a last resort, snail mail deposits are always an option.

Next, consider paper checks. Do you really need them? Some of the non ChexSystems banks are willing to give you a bank account where you can direct deposit your paychecks, give you a debit card to use, and online bill paying facilities. You may not even really need paper checks, and in the end, in today's era of electronic transactions, they are rapidly becoming obsolete. You can do without them.

Do take time to evaluate which banks do not use ChexSystems. You may come up with several options, but take the time to compare the fees. The fees are likely to be a bit higher than your "friendly neighborhood bank", but then again, your local friendly banker doesn't want you. That said, the fees vary a great deal, and there are some non ChexSystems banks that have excellent fee structures. Pay careful attention to things like high "account set-up fees," per-check charges, usage fees for your debit card, etc. Read the fine print and find the best deal.

## TOP-RANKED, CONSUMER-FRIENDLY BANK THAT DOES NOT USE CHEXSYSTEMS

Finding banks that do not use ChexSystems in your hometown is difficult, and it's always embarrassing when the bank clerk looks down his nose at you and says, "sorry, we can't open an account for you." There are some good alternatives if you're on the ChexSystems report, and we've looked at most of them. There are hundreds of paid and free non ChexSystems bank lists, all sorts of systems that claim to help you get out of ChexSystems, and there are actually plenty of non ChexSystems banks out there that are waiting and ready to open an account for you. And, although there are places that offer advice on ChexSystems removal, the only sure-fire way to get out of ChexSystems is to sit and wait five years. Not an attractive option. You want a non ChexSystems checking account, and you want it now.

Unfortunately, some of these banks not using ChexSystems charge significantly higher fees than a standard ChexSystems bank. We've gone through a lot of information about which banks do not use ChexSystems, and feel confident in making recommendations on our web site at <http://www.getoutofchexsystems.com>. On our site, we include links to "second chance banks" that offer reasonable fees, a convenient debit card that you can use anywhere, online bill paying, and direct deposit of your paychecks. This isn't just a debit card, it's an actual functioning, check-less bank account at a legitimate, FDIC-insured bank.

Here's the scoop on it: You don't write paper checks, but you do pay your bills online, and you get a debit card that you can use to pay bills and make purchases as well. There's no fee for making purchase transactions. You direct-deposit your paycheck (they give you the forms to take to your employer, it's easy), so you get access to your money right away. No more paying three percent at check cashing stores! Anybody with a social security number and identification can get this account. There's a full-service, online banking portal, and free live customer service as well.

## LIST OF NON-CHEXSYSTEMS BANKS

There are dozens of list purveyors all over the Internet which have information, which they will sell you, on which banks in your area do not use ChexSystems. We first set out to compile such a list, with the ambition of creating a comprehensive collection of financial institutions that you could turn to if you were on ChexSystems, and we planned to offer it for sale for a reasonable amount. But once we started compiling information, we couldn't in good conscience go through with it. The list is small. It's too small to really do much good for many people. And so, we won't be selling any lists.

First of all, this is information you can find on your own with a little due diligence. Second, these lists are usually outdated. The number of banks that don't use ChexSystems is getting smaller by the day, and it would not be unusual at all for a person to have no success at all in finding a bank that is conveniently local, which also does not use ChexSystems.

We could, if we were a little more sinister, offer a list and charge a hundred bucks for it, like other Internet marketers are doing, but the fact of the matter is, these lists are not likely to help you. ***Your chances of finding an actual brick-and-mortar local bank, within a few miles of your home, that does not use ChexSystems are very slim.*** We've seen these lists that are offered for sale, and typically, they include only two or three banks in every state. Some lists charge you fifty bucks, and then only have two or three bank names in all! Upon further investigation, at least some of those banks no longer exist, and many of them have since joined the ChexSystems program.

What we did come up with though, is a good strategy, and a collection of a few reputable banks that offer a good collection of Internet banking, direct deposit of your paychecks, online bill paying, and a debit card that you can use anywhere. And no, they don't use ChexSystems. Please take note: ***These differ greatly from "prepaid debit cards",*** which are another species entirely. The banks we are talking about are offering you a full service checking account, with several conveniences and at low cost. We won't charge you for telling you who they are, just visit our web site at <http://www.getoutofchexsystems.com>, go to the page link marked "Banks that don't use ChexSystems", and follow the links.