



## Learn 7 Options for Second-Chance Checking Accounts

### Description

A checking account is an integral aspect of most people's everyday money management. However, without a second-chance checking account, accessing this essential financial tool can be difficult for those who have struggled to handle their accounts responsibly.



A person's credit score drops as a result of being reported to credit bureaus for missing bill payments. "Similarly," says David Frederick, senior vice president and director of client success and guidance at First Bank, "banks share information about depositors through the ChexSystems, which tracks things like overdrafts, rejected checks, and unpaid fees." When you apply for a new bank account, the bank will very certainly check ChexSystems or a comparable database, such as Early Warning Services or TeleCheck.

"A person who has had previous difficulties with bank accounts may have problems opening another

bank account in the future,” Frederick explains.

According to Max Benz, creator and CEO of personal finance blog BankingGeek, some banks provide second-chance checking accounts expressly for customers who have had a checking account canceled in the past. “Other banks provide second-chance checking accounts to those with bad credit,” he says.

## What Exactly Is Second-Chance Banking?

A second-chance checking account is an alternative for banking customers who have previously had problems with deposit accounts, such as recurrent overdrafts, outstanding negative balances, or involuntary account closures.

Banks that provide these accounts are willing to overlook past mistakes in order to provide consumers with access to the minimum features required to manage their money. According to Frederick, these accounts are rarely given by large national banks and are more commonly seen at smaller local and online banks.

However, banks that provide second-chance checking accounts recognize that account users pose a higher risk than consumers with a clean financial history.

According to Benz, “second-chance checking accounts often feature higher fees and interest rates than conventional checking accounts.” “However, they may be preferable to a prepaid debit card or a check-cashing service.” These nonbanking services might be significantly more expensive, bordering on predatory. Nonetheless, he recommends carefully examining the terms and circumstances before obtaining a second-chance checking account.

## Consider These 7 Second-Chance Checking Accounts

Second-chance accounts, according to Frederick, can be a great tool for persons attempting to rehabilitate their credit, control their budget, or simply put themselves on a better financial path. Furthermore, registering a second-chance account can assist you in regaining excellent status.

“After a consumer has had a second-chance account for a specified amount of time – generally a year or two – with no negative actions or reports, the account will frequently convert into a regular bank account without additional restrictions or expenses,” Frederick adds.

Some options for second-chance checking are superior to others. The best accounts have little or no fees, broad ATM access, low minimum opening and deposit requirements, and other benefits. Consider the seven choices listed below.

### Capital One 360 Checking Account

- There is no minimum opening deposit.
- There is no monthly cost.
- ATMs: 70,000.

- No, ChexSystems is not used.

Despite the fact that it is not a second-chance account, Capital One stopped using ChexSystems to screen account applications in 2014. So a bad credit history will not prevent you from enjoying the benefits of a 360 checking account, such as no fees or minimums.

## Second Chance Banking chimes

- There is no minimum opening deposit.
- There is no monthly cost.
- ATMs: 60,000.
- No, ChexSystems is not used.

Chime is a financial technology firm that was formed on the principle that basic banking services should be accessible and inexpensive to everyone. The second-chance bank account, like its other account alternatives, has no hidden or monthly fees or account minimums.

## Checking Account at Go2bank

- There is no minimum opening deposit.
- \$5 monthly charge (can be waived by meeting certain requirements).
- ATMs: 42,000.
- ChexSystems is used: No.

Go2bank, a neobank owned by Green Dot, a financial technology business, offers this second-chance checking account. This account offers a highly rated mobile app, ASAP direct deposit, and other benefits in addition to basic checking account capabilities.

## GTE Financial Go Beyond Checking

- The minimum opening deposit is \$5.
- The monthly charge is \$9.95. (can be waived by meeting certain requirements).
- ATMs: 30,000.
- ChexSystems is used: Yes.

If you apply for a Go Premium or Go Full Access checking account and are denied, the bank will contact you to discuss the Go Further account instead. It's intended for consumers who can't currently qualify for a standard checking account but aspire to in the future. GTE Financial will update your account after 12 months of responsible use.

## Essential Checking at LendingClub

- The minimum initial deposit is \$10.
- The monthly charge is \$9.
- ATMs: 37,000.

- ChexSystems is used: Yes.

LendingClub's Essential checking account is intended for individuals who do not have a pristine banking background. It assists you in better managing your money using technology and low fees.

## Varo Checking for a Second Chance

- There is no minimum opening deposit.
- There is no monthly cost.
- ATMs: 55,000.
- No, ChexSystems is not used.

Varo is a mobile-only bank account app that enables clients to conduct branchless banking. It does not charge monthly or hidden fees for its second-chance checking account.

## Clear Access Banking at Wells Fargo

- The minimum first deposit is \$25.
- \$5 monthly charge (waived for customers age 13-24).
- ATMs: 12,000.
- ChexSystems is used: No.

Wells Fargo is one of the few big national banks that offers second-chance checking, with the Clear Access Banking account aimed for customers with low balances, including teenagers.

### Category

1. Finance

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