

**To qualify for a Second Chance Checking Account with Bay Atlantic FCU, you must review the following module and complete a comprehensive quiz with a passing score of at least 80%.**

## **What is a checking account?**

A checking account is a deposit account that allows withdrawals at any time provided there are sufficient funds available. These accounts generally have lower interest rates than a Certificate of Deposit (CD), Money Market or a Savings account, but also have fewer restrictions. Checking accounts often offer the option of a checkbook or debit card to allow ease of access to your funds. These accounts are federally insured by the NCUA, providing a secure and safe way to make transactions. Common types of checking accounts can include individual, joint, and business accounts, among others.

## **How do I get funds in or out of the account?**

Depositing funds can be done in several ways including check or cash deposits, bank to bank transfers, or via a direct deposit by an employer or other source of income using your account and routing number. Similarly, withdrawing funds can be done in person at a local branch, via an ATM using an attached debit card, by completing transfers through the respective financial institution's online or mobile platform, or through an affiliated bill pay service. Funds can also be accessed via an automatic debit, which requires you to provide the company or merchant with your account and routing numbers; however, this option should only be used if you are completely sure of the source company, as once you have provided your information they will have it permanently.

## **How should it be used?**

Checking accounts are good for day-to-day transactions, such as paying bills or buying items like groceries or merchandise. This should be done with an understanding of funds available in the account as improper management of funds will result in negative activity. Negative activity, such as bouncing checks, overdrawing the account or repeated instances of fraud, are documented by financial institutions and typically reported to ChexSystems which could limit your ability to open accounts elsewhere. Some institutions will even report this activity to the credit bureaus. Balancing your account is key.

## **Am I liable for fraud on my account?**

Unauthorized charges can and should be disputed with your financial institution, but that does not guarantee funds will be returned. There is an investigative process for all disputes and at times only partial or even no refunds will occur. While fraud is an ever-present threat, you are ultimately still responsible for everything that comes in and out of your account. This is why it is critically important to protect your account information. Never share account, or debit card numbers with others. Additionally, simple steps like memorizing your PIN, shredding old debit cards and statements, and immediately reporting lost or stolen cards will go a long way towards preventing fraud and possibly identify theft.

## **How do I remain in good standing?**

Ultimately, maintaining your account is your responsibility. It's important to know how much you have available before attempting a transaction. This can be done by monitoring your account balance via the credit union's app, online banking system, over the phone, or with the use of a checkbook. You can also check your balance at an ATM using your debit card. If funds are not available when attempting a transaction your debit card transactions will be denied, and your checks will bounce. This could result in NSF (non-sufficient funds) fees, account closure, and you could even be subject to legal action.

## **Are there any services to help keep me on track?**

In some instances, you may be eligible for the courtesy pay service which covers transactions that would otherwise be denied. If the service is offered, you must pay back the amount that was covered and are likely to be charged a fee for each time you use the service. Additionally, overdraft transfers could offer coverage. This service transfers available funds from an attached savings account or secondary checking account if/when you don't have enough for a particular transaction. Again, there is likely a fee for each time the service is used.

## **What if my prior checking account usage has been subpar?**

If you have had negative history with BAFUCU or another institution there is a good chance it has been reported to ChexSystems. ChexSystems collects information on negative checking and/or savings account activity, and sometimes even debts owed to check cashing services. This compiled information is provided to financial institutions before account opening. You can get a free copy of a ChexSystems report once a year by visiting [www.consumerdebit.com](http://www.consumerdebit.com) or calling (800) 428-9623. Additionally, you can see if any activity has been reported to the credit bureaus by obtaining a free copy of your credit report from all three credit bureaus yearly through the Annual Credit Report Request Service [www.annualcreditreport.com](http://www.annualcreditreport.com) or (877) 322-8228. If you are initially denied a new account due to negative history, there may be a way to rectify this. Many financial institutions will allow you to open an account after you complete specific steps like repaying debts owed or completing an account management course.

## **Are there any restrictions if I am granted an account after having a ChexSystems history?**

Yes, BAFUCU has restrictions on such accounts, however this may vary from institution to institution. In BAFUCU's case, a 2nd Chance Checking Account requires the completion of an account management test and a direct deposit of your paycheck or other recurring check (such as Social Security or Pension) on file to be eligible. Additionally, there are limitations on services. For example, these accounts are not eligible for Courtesy Pay and extended holds will be placed on most checks. There is also service fee for this account which may be discontinued after a period of performance. Be sure to speak with a Member Service Representative to get a more in-depth breakdown of these requirements.

### **Is there anything else I should know?**

Checking accounts can be very beneficial for the account holder and using one properly is neither hard nor time consuming – it's just a matter of following a few simple habits and monitoring your account routinely. And remember, you are not alone! Any of our Member Service Representatives can walk you through effective account usage. Further, should you desire more in-depth guidance to meet your long-term financial wellness needs, BAFCU has several Certified Financial Counselors on staff that can help. Please let us know if you would like to set up an appointment with one. We are here to help!

**Now that you have reviewed the module, please follow the link below to complete the Checking Account Basics and Account Management Quiz. You must score at least 80%.**



**Scan the QR code to be taken directly to the quiz on your mobile device.**

**You may also visit our website to complete the quiz on a desktop computer.**

**[www.bayatlanticfcu.org/second-chance-checking](http://www.bayatlanticfcu.org/second-chance-checking)**

Your results will be sent to our Member Services team for review. A representative will reach out to confirm successful quiz completion and review additional steps to open your Second Chance Checking account.