

## Bank Accounts following Bankruptcy Filing



Filing bankruptcy is not the end for your bank account; there are many options still available to you.

In most instances, you will be able to keep your bank account when you file bankruptcy. Financial institutions, like credit unions or banks, usually will not close your bank account when you file a bankruptcy unless you owe them money. Even then, banks are less likely to close your bank accounts if they are in good standing. However, if you owe any debt to a credit union when you file a bankruptcy, most will close your bank accounts whether they are in good standing or not.

It is a good idea to maintain a checking and savings account, but some people experience difficulty opening new accounts after bankruptcy. Some financial institutions have policies against opening new accounts have one year after the discharge. Also, most financial institutions use a monitoring system called "Chex Systems," governed by the Fair Credit Reporting Act, which notifies other member banks and credit unions if your checking account

has a negative or overdrawn balance. This may make it difficult for you to open a new account at another financial institution.

If you have been turned down for a checking account, your attorney may recommend inquiring about a savings account at a bank. Credit unions may have more stringent requirements when opening savings accounts, such as requiring a monthly direct deposit, a minimum balance, or a monthly fee. They may also restrict the number of transactions you are allowed to make during each month. Speak with your Boleman attorney about your options. Many times, your attorney will recommend opening a new bank account before you file your bankruptcy to avoid these complications.

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