



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
HARRISBURG

THE SECRETARY

May 2, 2003

TO ALL LICENSEES UNDER THE CHECK CASHER LICENSING ACT:

In May of 1998, the Pennsylvania Department of Banking ("Department") issued a statement of policy concerning the Check Casher Licensing Act ("CCLA"), 63 P.S. § 2301 *et seq.* Section 81.51 of that statement of policy provides that:

[c]heck cashers should post a notice of exact fees and charges, which shall be within the maximum prescribed in the act. The notice should be in plain view and in a location readily apparent to the consumer transacting business at each check casher location.¹

It is the Department's understanding that check cashers licensed under the CCLA have largely ignored this guidance or sought guidance regarding the Department's enforcement of this statement of policy. The purpose of this letter is to notify all check cashers that the Department will ensure that the guidance provided by the statement of policy is followed.

Since check cashers are frequently one of the few financial service providers available to people of modest means, it is imperative that transactions between customers and check cashers are fair. Therefore, check cashers licensed under the CCLA must fully and clearly disclose all of the fees and charges for their services to every customer or potential customer in a way that is understandable. While the Department believes that the best way to do that is usually by posting those fees and charges as provided in the statement of policy, there may be times when more is required. For instance, if a customer or potential customer of a check casher is challenged in their ability to read, then a check casher should verbally state all of its fees and charges fully, clearly and in an understandable way. Similarly, well-worded written disclosures of all fees and charges might provide more information to customers or potential customers. However, posting fees and charges as suggested in the statement of policy is the minimum that any licensee under the CCLA should do.

It is difficult to imagine any serious objection to requiring check cashers to post their fees and charges. Prices are posted in a multitude of business transactions, small and large, from buying milk at grocery stores to stocks on securities exchanges. Public disclosure of prices allows consumers to comparison shop and make good choices for themselves and their families. As an important provider of financial services to low-income populations, check cashers should do no less.

¹ 10 Pa. Code § 81.51.

Thirty days from the date of this letter, the Department will begin to implement and enforce the statement of policy on posting notice of fees and charges that is found at 10 Pa. Code § 81.51 against check cashers licensed under the CCLA. Since the statement of policy was published five years ago, its substance can come as no surprise. Check cashers are strongly urged to use the next thirty days to post their fees and charges as provided in the statement of policy. While the Department hopes for the voluntary cooperation of the check cashing industry, it is prepared to use its regulatory authority to ensure that check casher fees and charges are posted as provided in the statement of policy.

Sincerely,

A handwritten signature in cursive script that reads "A. William Schenck III". The signature is written in dark ink and is positioned above the typed name.

A. William Schenck III
Secretary of Banking