



July 8, 2016

TO ALL LICENSED CHECK CASHERS REGULATED BY THE COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES:

On June 17, 2016, Governor Wolf signed into law as Act 45 of 2016, P.L. 339, Senate Bill 489 (P.N. 1847), CHECK CASHER LICENSING ACT - AUTHORITY OF DEPARTMENT, CONDITIONS FOR LICENSING AND FOR FEES AND CHARGES, RECOVERY OF LOSSES DUE TO THEFT AND FRAUDULENT MISREPRESENTATION

Act 45 will create significant changes in the way you conduct your business in Pennsylvania. The provisions of the Act become effective 60 days after the June 17 enactment. Therefore, all licensees must be compliant by the August 16, 2016 effective date. Below you will find key provisions regarding the new Act which fall under the Department's jurisdiction.

A check casher is a business entity that engages in the cashing of checks for a fee. This includes Retail Grocery Store Check Casher registrants. Act 45 changed the registration requirements for retail food stores. While retail food stores must continue to register with the Department; the Department will no longer require these entities to register with the Nationwide Multistate Licensing System and Registry (NMLS).

In addition to excluding retail food stores from NMLS registration, Act 45 had three substantive changes to the Check Casher Licensing Act.

First, Act 45 will require that all check cashers post a notice of exact fees and charges, which shall be within the maximum prescribed in this Act. The notice will have to be posted in plain view of the consumer and in a location readily apparent to a consumer transacting business at each business location in which the check casher operates.

Second, Act 45 defined and distinguished "government assistance checks" from "government checks" and reduced the maximum allowable fee that a check casher may charge when cashing these checks. The previous maximum fee for cashing government checks was reduced from 2.5% to 1.5% of the face amount of the check except for government assistance checks which were reduced from 2.5% to 0.5% of the face value. Government assistance checks were defined as any "check issued by the Federal Government or State government on a continuing periodic basis by a government agency for the payment to the recipient payee of Federal or State assistance, Social Security, workers' compensation, unemployment compensation, railroad retirement benefits, veterans benefits or housing assistance."

Third, Act 45 added a provision to the check cashers law that allows a check casher, who sustains financial loss due to theft by a customer of a government check or government assistance check,

payroll check or personal check; or fraudulent misrepresentation by a customer, to recover monies for an amount equal to three times any actual face value of the check or three times any actual damage sustained by the check casher as a result of the theft or fraudulent misrepresentation, whichever is greater.

### **Conclusion**

The enactment of the Act creates significant change for Department-regulated licensees. The Department is committed to working with you to ensure the smoothest-possible transition to operation under the new provisions of Act 45.

This letter is not intended as and does not constitute legal advice. Please keep in mind that this letter contains generalizations regarding the Act and is therefore not inclusive of all of its provisions, conditions, exceptions, and details. It is critically important for you to read the actual Act and seek guidance from your legal counsel and trade association regarding the effects of this new legislation on your business operations.

Licensee questions regarding the changes to the law should be addressed to the Compliance Office at (717) 772-3889. Inquiries may also be submitted via the Department's website at [www.dobs.pa.gov](http://www.dobs.pa.gov).

We here at the Department look forward to working with you in order to seamlessly implement this new legislation.

Sincerely,

/s/ Tim Knopp  
Acting Deputy Secretary  
Non-Depository Institutions