



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING  
HARRISBURG

May 2, 2003

THE SECRETARY

TO ALL RETAIL FOOD STORES REGISTERED UNDER THE  
CHECK CASHER LICENSING ACT:

In May of 1998, the Pennsylvania Department of Banking ("Department") issued a statement of policy concerning the Check Cashier 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.<sup>1</sup>

It is the Department's understanding that check cashers 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 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 check casher 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.

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<sup>1</sup> 10 Pa. Code § 81.51.

As you may know, the General Assembly recently enacted Act 200 of 2002 which amends the CCLA to allow retail food stores to register with the Department under certain circumstances instead of being licensed. However, as Act 200 of 2002 makes clear, several provisions of the CCLA still apply to retail food stores, including the limits on fees and charges found in section 503 of the CCLA, and one of the primary purposes of the Department's statement of policy on posting fees and charges is to ensure compliance with those limits. In addition, the statement of policy on posting fees and charges broadly applies to "check cashers," which includes any business entity that cashes checks for a fee, and not just "licensees."<sup>2</sup> Furthermore, at the time the statement of policy was issued, the Department intended for it to apply to retail food stores since they were required to be licensed under the CCLA at that time. Therefore, the provision of the statement of policy concerning the posting of fees and charges that is found at 10 Pa. Code § 81.51 applies to retail food stores registered with the Department.

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 all retail food stores registered with the Department. 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. William Schenck III  
Secretary of Banking

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<sup>2</sup> Compare the definition of "check casher" with the definition of "licensee," both of which are found in section 103 of the CCLA, 63 P.S. § 2303. Also, the statement of policy itself distinguishes between "check cashers" and "licensees." Compare 10 Pa. Code § 81.51 with 10 Pa. Code §§ 81.61, 81.62.