

2015 -- H 6014

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- CHECK CASHING

Introduced By: Representatives Barros, Tobon, Abney, Kazarian, and Coughlin

Date Introduced: April 01, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 19-14.4-4 and 19-14.4-5.1 of the General Laws in Chapter 19-14.4
2 entitled "Check Cashing" are hereby amended to read as follows:

3 **19-14.4-4. Fees for services.** -- No licensee shall:

4 (1) Charge check-cashing fees in excess of three percent (3%) of the face amount of the
5 check, or five dollars (\$5.00), whichever is greater, if the check is the payment of any kind of
6 state public assistance or federal social security benefit;

7 (2) Charge check-cashing fees for personal checks in excess of ten percent (10%) of the
8 face amount of the personal check or five dollars (\$5.00), whichever is greater; or

9 (3) Charge check-cashing fees in excess of five percent (5%) of the face amount of the
10 check or five dollars (\$5.00), whichever is greater, for all other checks.

11 (4) Charge deferred deposit transaction fees in excess of ~~ten percent (10%)~~ nine and
12 twenty-three hundredths percent (9.23%) of the amount of funds advanced.

13 **19-14.4-5.1. Customer checks -- Deferred deposits.** -- (a) A check casher may defer the
14 deposit of a personal check written by a customer for a term of no less than thirteen (13) days,
15 pursuant to the provisions of this section. The face amount of the check shall not exceed five
16 hundred dollars (\$500).

17 (b) Each deferred deposit shall be made pursuant to a written agreement that has been
18 signed by the customer and by the check casher or an authorized representative of the check
19 casher. The written agreement shall contain a statement of the total amount of any fees charged

1 for the deferred deposit, expressed both in United States currency and as an annual percentage
2 rate (APR), as required by federal regulations, not to exceed two hundred forty percent (240%).

3 The written agreement shall authorize the check casher to defer deposit of the personal check
4 until a specific date no less than thirteen (13) days from the date the written agreement was
5 signed and executed. The written agreement shall not permit the check casher to accept collateral.

6 (c) A roll-over is an extension or deferral of the payment due date of a deferred deposit
7 transaction for the payment of only an additional fee.

8 (d) The maximum amount of a single customer's check is five hundred dollars (\$500).

9 (e) The maximum aggregate amount of concurrently outstanding checks held by the
10 licensee or its affiliate from the same customer is five hundred dollars (\$500).

11 (f) The maximum number of concurrently outstanding checks held by the licensee or its
12 affiliates from the same customer is three (3).

13 (g) The maximum number of rollovers permitted is one.

14 (h) The check casher shall give a duplicate original of the agreement to the customer at
15 the time of the transaction.

16 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO FINANCIAL INSTITUTIONS -- CHECK CASHING

1 This act would reduce the check-cashing fees for deferred deposit transactions from ten
2 percent (10%), to nine and twenty-three hundredths percent (9.23%), with an annual percentage
3 rate not to exceed two hundred forty percent (240%).

4 This act would take effect upon passage.

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