

2008 -- H 8405

LC03167

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- LICENSED ACTIVITIES

Introduced By: Representative Lisa Baldelli-Hunt

Date Introduced: June 18, 2008

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 19-14.4-5 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           **19-14.4-5. Posting of charges -- Endorsement -- Receipt. --** (a) In every location  
4   licensed pursuant to this chapter, there shall be at all times posted in a conspicuous place within  
5   the licensed premises a complete and unambiguous schedule of all fees for cashing checks,  
6   deferred deposit transactions expressed as both a dollar amount and an annual percentage rate,  
7   and the initial issuance of any identification card; provided that posted information shall be  
8   presented in whatever additional languages as deemed appropriate by the director or the director's  
9   designee.

10           (b) Before a licensee shall deposit, with any regulated institution or other insured-  
11   deposit-taking institution organized under the laws of the United States, a check cashed by the  
12   licensee, the check must be endorsed with the name under which the licensee is doing business  
13   and must include the words "licensed check cashing services".

14           (c) The licensee shall provide a receipt for each transaction for the benefit of a customer.

15           (d) Each check casher shall also post a list of valid identification which is acceptable in  
16   lieu of identification provided by the check casher. The information required by this section shall  
17   be clear, legible, ~~and~~ in letters not less than one-half (1/2) inch in height, and in whatever  
18   languages deemed appropriate by the director or the director's designee. The information shall be  
19   posted in a conspicuous location in the unobstructed view of the public within the check cashers'

premises. Failure to post information as required by this section, or the imposition of fees or identification requirements contrary to the information posted, shall constitute a deceptive trade practice under chapter 13.1 of title 6.

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

(b) Each deferred deposit shall be made pursuant to a written agreement that has been signed by the customer and by the check casher or an authorized representative of the check casher. The written agreement shall contain a statement of the total amount of any fees charged for the deferred deposit, expressed both in United States currency and as an annual percentage rate (APR), as required by federal regulations. The written agreement shall authorize the check casher to defer deposit of the personal check until a specific date no less than thirteen (13) days from the date the written agreement was signed and executed. The written agreement shall not permit the check casher to accept collateral.

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

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

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

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

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

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

(i) A check casher shall allow customers who are unable to repay the balance of a transaction by the agreed-upon date an additional term of no less than thirteen (13) days to repay the balance at no additional charge or fee. Provided, that a check casher shall allow a customer to utilize this additional repayment term no less than once within any twelve (12) month period.

(j) A check casher shall allow a customer the right to rescind a deferred deposit transaction on or before the close of the following business day at no cost, provided that the full original amount of funds advanced must be returned to the check casher by the customer prior to the rescission.

1           SECTION 2. This act shall take effect on July 1, 2008.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would give the director of the department of administration authority to post  
2   required notices in languages he or she deems appropriate. The act would also impose certain  
3   consumer protection measures upon “check cashers” by mandating a grace period subsequent to  
4   the designated repayment date, and allowing customers to rescind deferred deposit transactions.

5           This act would take effect on July 1, 2008.

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