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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS - CHECK CASHING

Introduced By: Representatives Baldelli-Hunt, Winfield, Tarro, Medina, and Ucci

Date Introduced: February 16, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 19-14.4-4 of the General Laws in Chapter 19-14.4 entitled "Check  
2 Cashing" is 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%)~~ five percent  
12 (5%) of the amount of funds advanced, which is the equivalent of an annual percentage rate of  
13 one hundred thirty percent (130%).

14           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

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- 1           This act would reduce the amount a check cashing business can charge for deferred
- 2   deposit transaction fees from ten percent (10%) to five percent (5%) of the funds advanced.
- 3           This act would take effect upon passage.

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