



Consumer Financial Services Fact Sheet

I. *Financial Service Centers*

Did You Know?: Financial Service Centers offer a wide array of financial products and services, including check cashing, small dollar, short-term loans, money transfers, money orders, electronic bill payment services and prepaid debit cards.

- FiSCA member locations are continually expanding the roster of services offered to meet your needs.
- FiSCA member locations are located near where you live and work and offer extended hours of operation (some are open 24/7).
- These locations provide superior, friendly service and a convenient and safe environment in which to conduct your financial business.
- When using a FiSCA member location, you have the peace of mind of knowing that there will be no hidden fees or back end charges associated with any transaction.
 - By comparison, there are numerous fees, charges and/or penalties that you may be subject to at banks and credit unions, including (to name a few):
 - Monthly Service Fee
 - Low-Balance Fee
 - Non-Sufficient Funds Fee
 - Overdraft Fee
 - Uncollected Funds Fee
 - Stop Payments Fee
 - ATM-outside Network Fee.

II. *The Cost of Maintaining an Account at a Financial Institution v. The Cost of Conducting Financial Transactions at Financial Service Centers*

Did You Know?: Conducting your financial business at a Financial Service Center is very often less expensive and more convenient than doing so at a bank or credit union.

- Financial Service Centers offer products and services on a “pay as you go” basis, giving you the freedom to choose when and where it is appropriate for you to conduct your financial transactions.
- You do not have to meet any special monetary or membership requirements to conduct your personal financial business at a FiSCA member location. All consumers are welcome.
- No deposit account is necessary to use a FiSCA member location.

The Cost of Maintaining a Bank Account

*Interest Bearing Account**

- The minimum average balance to *open* an interest-bearing checking account at a bank is \$986.19, with interest accruing at only 0.32%.
 - The average monthly service fee is \$11.72.
 - To avoid a monthly service fee, an average minimum balance of \$3,316.60 must be maintained.

*Non-Interest Bearing Account**

- The minimum average balance to *open* a non-interest bearing checking account at a bank is \$83.02.
- The average monthly service fee is \$2.26.
 - To avoid a monthly service fee, an average minimum balance of \$155.49 must be maintained.
- ATM fees imposed by banks on non-account holders are most commonly between \$2-\$3.

The Cost of Maintaining a Credit Union Account

Interest Bearing Account §

- The minimum average balance to *open* an interest-bearing checking account at a credit union is \$446.
 - The average monthly service fee is \$6.63.
 - To avoid a monthly service fee, an average minimum balance of \$971 must be maintained, with a minimum balance of \$1,271 required to earn interest.

Non-Interest Bearing Account §

- The minimum average balance to *open* a non-interest bearing checking account at a credit union is \$118.
- The average monthly service fee is \$5.45.
 - To avoid a monthly service fee, an average minimum balance of \$446 must be maintained.

III. Check Cashing

Did You Know?: By cashing your check at a FiSCA member location, you will get access to 100% of the presented funds (less a fee) instantly in cash, without having to wait for the funds to clear.

- By comparison, banks and credit unions typically hold *your money* for 3-5 business days after deposit.

* *Bankrate.com, 2007 Checking Study*

§ *Siefer Consultants, 2008 Service Charge Survey & Pricing Guide*

- Check cashing is one of the most highly regulated industries in the country. In addition to being federally regulated, check cashers are regulated at the state level in 33 states and Washington, D.C., often including a limit on the fees that may be charged.
- Typically the fee for cashing a check is only 1%-3% of the value of the check.

IV. *Payday Advances*

Did You Know?: A payday advance is a good and practical form of credit if you are seeking a small dollar, short-term loan to cover expenses between paydays and want to avoid often more costly alternatives such as bounced-check fees, overdraft charges, late bill payment penalties, obtaining a credit card advance, and other less desirable short-term credit options.

- Payday advances are legal small dollar, short-term credit alternatives in approximately 37 states.
- The typical cost of a payday advance is \$15 for each \$100 borrowed.
- All terms and fees are clearly posted in every store and included in every payday advance agreement.

Payday advances are typically cheaper than other short-term credit options

Credit Option	\$100 Payday Advance (2 wk loan)	Single Overdraft Charge on \$100 Purchase	Credit Card Late Fee on \$100 Bill	Late/Disconnect Fee on \$100 Utility Bill	NSF/Merchant Charges on a Single \$100 Bounced Check
Fee	\$15.00	\$29.00 ¹	\$34.42 ²	\$46.16 ³	\$54.87 ⁴
APR	391%	756%	897.71%	1,203%	1,431%

V. *Pre-Paid Debit Cards*

Did You Know?: Financial service centers sell pre-paid debit cards which allow you to load money or receive a direct deposit from your employer onto the card.

- Pre-paid debit cards can be used to withdraw money from an ATM or shop online.
- Financial Service Centers annual sales of pre-paid debit cards exceed 2.8 million with over \$5.3 billion loaded onto the cards.[¶]

¹ Bankrate.com, 2007 Courtesy Overdraft Study – based on average first overdraft charge

² “Credit Cards: Increased Complexity in Rates and Fees,” General Accountability Office, 2006.

³ 2006 CFSA Fee Survey.

⁴ Average NSF fee \$28.23 (Bankrate.com, 2007 Checking Study), based on average first NSF charge. Average merchant return check fee \$26.64 (2006 CFSA Fee survey).

[¶] Cypress Research Group, Survey of Key FiSCA Members Organization on Transaction Volumes, October 2007

VI. *Savings Opportunities Through FiSCA Member Locations*

Did You Know?: You can establish a no fee, FDIC-insured savings account with a current annual yield of 5% through a NetSpend pre-paid debit card at participating FiSCA member locations.

- You can transfer money back and forth between the card and savings account at no cost.
- The savings accounts require no minimum monthly balance to maintain.
- The savings accounts currently earn participants 5% interest on deposits, which is far more than most interest rates offered by banks. To view savings rates offered by other institutions, visit <http://www.money-rates.com/savings.htm>.
- Savings accounts offered by banks typically require a minimum balance to open the account and a significant balance is usually required to maintain it without incurring fees and/or penalties.

VII. *Money Orders*

Did You Know?: Money orders sold by Financial Service Centers are a convenient, safe and inexpensive way to pay bills and make purchases.

- Money orders are a reliable payment choice for those who may not have checking accounts.
- There were nearly 86 million money orders sold nationwide by financial service centers.[¶]
- While money orders can be purchased through various agents (e.g., U.S. Postal Service and banks), those sold by Financial Service Centers are typically less expensive.
 - Financial Service Center Issued Money Orders:
 - The average fee for money orders issued by Financial Service Centers is .64¢.[¶]
 - U.S. Postal Service Money Orders:
 - It costs \$1.05 to obtain a money order of up to \$500.^π
 - It costs \$1.50 to obtain a money order of up to \$1,000.^π
 - Bank Issued Money Orders:
 - Banks ordinarily charge between \$3 and \$4 for money orders (e.g., in New York, the average fee charged by banks for a money order is \$3.80).[^]

[¶] Cypress Research Group, Survey of Key FiSCA Members Organization on Transaction Volumes, October 2007

^π www.usps.gov

[^] 2008 New York State Banking Department Retail Bank Services Survey

VIII. *Bill Payment Services*

Did You Know?: Financial Service Centers offer convenient, inexpensive and secure network for you to pay many of your utility bills, resulting in a quicker credit to your utility accounts.

- While some banks now also offer bill payment services, these services are often limited to utility and cable payments and the fees imposed are typically greater than fees charged by financial service centers.
- The average monthly bank fee charged for bill payment services for 5 transactions or less \$1.01.[§]
- By comparison, financial service centers offer bill payment services for scores of companies and vendors, not just cable and utility payments.
- The average fee charged for bill payments is .86 per transaction and sometimes the billing company will cover the cost as a benefit to its customers.[¶]

IX. *Money Remittance Services*

Did You Know?: Financial Service Centers offer money transfer services that allows you to send and receive money worldwide – quickly, easily and safely.

- While some banks offer money remittance services, most do not offer this service to non-bank consumers.
- In 2006 alone, the Financial Service Centers industry conducted nearly 21 million money transfer transactions having a gross total value of about \$8.3 billion.[¶]

[§] *Siefer Consultants, 2008 Service Charge Survey & Pricing Guide*

[¶] Cypress Research Group, Survey of Key FiSCA Members Organization on Transaction Volumes, October 2007