

2009 FiSCA Conference
Workshop: Alternative Products

Vince Andracchio, Friendly Check Corp., Rocky Mount, NC
Ira Krell, David's Financial Corp., Bronx, NY
Paul Soter, Law Offices of Paul Soter, San Francisco, CA

General Considerations						
Credit products are on a continuum	Strategic considerations during credit crunch	Synergy of multiple product offerings	Cumulative value of multiple small transactions	Minimizing cash commodity expenses	All MSB products are governed by state law and administered by state regulators (except loans to military borrowers)	Federal review of MSB registration, AML procedures, possible FTC, CFPA oversight

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Credit Products					
<i>Product</i>	<i>Advantages</i>	<i>Operational Issues</i>	<i>Regulatory Obstacles</i>	<i>Entry Barriers</i>	<i>Margin/Volume</i>
<i>Payday Lending</i>	High yield	Rate/amount restrictions	Licensing & examination	Cash-intensivity	High/Med
<i>Installment Lending</i>	Little pressure on product	Rate/amount restrictions	Licensing & examination	Product development	High/Low
<i>Open-End Credit</i>	Market opportunities	Billing requirements; rate restrictions	Legislative developments	Product development	High/Low
<i>Refund Anticipation Loans</i>	High yield	Rate/amount /timing restrictions; seasonal	Legislative developments	Cash-intensivity	High/Low
<i>Dealer Paper Purchase</i>	High yield; market opportunities	Billing requirements; dealer relations	State RISA's	Obtaining partners	High/High
<i>Employee Loans</i>	Market opportunities	Employer relations	Licensing & examination	Obtaining partners	Med/Low
<i>Pawn</i>	Little pressure on product	Storage & security	Licensing & examination	Resource-intensivity	Varies

Credit-Like Products					
<i>Product</i>	<i>Advantages</i>	<i>Operational Issues</i>	<i>Regulatory Obstacles</i>	<i>Entry Barriers</i>	<i>Margin/Volume</i>
<i>Rent-to-Own</i>	High yield	Resource-intensivity	Licensing & examination	Resource-intensivity; product development	High/High
<i>Precious Metals/Stone Purchases</i>	High yield	Resource-intensivity; employee training	Licensing & examination	Resource-intensivity; product development	High/Med
<i>Secondhand Property Purchase & Resale</i>	High yield	Resource-intensivity	Licensing & examination	Resource-intensivity; product development	Med/Med

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Transactional Financial Service Products					
<i>Product</i>	<i>Advantages</i>	<i>Operational Issues</i>	<i>Regulatory Obstacles</i>	<i>Entry Barriers</i>	<i>Margin/Volume</i>
<i>Check Cashing</i>	Stand-alone profitability	Cash management	Licensing & examination	Cash-intensivity	Low/High
<i>Prepaid Debit Card Sale</i>	MSB synergy	AML compliance	Bank requirements	Obtaining partners	Low/High
<i>Gift Card Sale</i>	MSB synergy; cross-referral potential	Product management	State requirements?	Obtaining partners	Low/High
<i>Savings Accounts</i>	MSB synergy	Cash management	Bank requirements	Obtaining partners	Low/High
<i>Bill Payment</i>	MSB synergy	Cash management	Licensing & examination	Obtaining partners	Low/High
<i>Money Transfer</i>	MSB synergy	AML compliance	Licensing & examination	Obtaining partners	Low/High
<i>Money Order Sales</i>	MSB synergy	AML compliance	Licensing & examination	Obtaining partners	Low/High
<i>Notarization</i>	MSB synergy	Employee training	Employee certification	Employee certification	Low/Low
<i>Legal Document Preparation</i>	MSB synergy	Employee training	Employee training	Employee training	High/Low
<i>Vehicle Registration & Plate Distribution</i>	MSB synergy; title loan synergy	DMV requirements	DMV requirements	DMV Requirements	Low/Med
<i>Public Transit Fare Sales</i>	MSB synergy	Various transit agency requirements	Various transit agency requirements	Various transit agency requirements	Low/High
<i>Lottery Ticket Sales</i>	MSB synergy; payoff shares	Lottery Dept requirements	Lottery Dept requirements	Lottery Dept Requirements	Low/High
<i>Tax Preparation Services</i>	MSB synergy; RAL synergy	Employee training	Employee certification	Employee certification	High/Low
<i>Stamp Sales</i>	MSB synergy	USPS requirements	USPS requirements	USPS requirements	Low/High