



**POSITION STATEMENT OF
FINANCIAL SERVICE CENTERS OF AMERICA
REGARDING THE PROPOSED
CONSUMER FINANCIAL PROTECTION AGENCY ACT OF 2009**

The House Financial Services Committee is currently considering legislation that would establish the Consumer Financial Protection Agency (CFPA). While no one can argue that new regulations are needed to address the abuses that led to the recent meltdown within the financial services industry, it is important to focus the jurisdiction of the proposed agency on specific financial products and services, not a basic fee for service transaction such as check cashing.

As an industry, check cashers support the concept of promoting transparency in financial transactions and protecting against unfair practices in order to ensure that consumers have the information they need to make informed choices. However, check cashing should be excluded from the scope of the proposed CFPA, for the following reasons:

- Basic check cashing is a discrete “fee for service” transaction which does not create an account relationship and is not a financial product.
- Check cashing was in no way even remotely involved in the recent meltdown and did not ask for or receive any federal bailout money.
- The check cashing transaction already operates under an elaborate network of federal and state laws that adequately address consumer protection and business practice-related issues.
- Additional regulation, which would be imposed on check cashing, is unnecessary and would probably only increase the cost to the consumer of cashing a check, without any corresponding benefit.
- CFPA should focus on the financial products and services for which it was intended, not check cashing.
- The check cashing industry adequately and admirably meets the needs of its customers and enjoys the highest degree of customer satisfaction and respect, resulting in extraordinary levels of customer satisfaction (95% of customers surveyed rated overall quality and value of services as “excellent” or “good”¹), and an absence of consumer complaints.

¹Cypress Research Group, Survey of Customers of FiSCA Member Organizations (September, 2006).