

P R E S S R E L E A S E

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FOR IMMEDIATE RELEASE

3rd ANNUAL FISCA MEMBER SURVEY HIGHLIGHTS IMPACT OF CHANGING RELATIONSHIPS WITH BANKS AND EVOLVING PRODUCT MIX

Industry's Cost of Being Serviced by Banks More than Doubles in One Year

(Hackensack, NJ, December 16, 2009) – Financial Service Centers of America (FiSCA) today released the results of its third annual member survey. Included in the survey was data collected related to participating companies' banking relationships. The findings clearly illustrate the impact of the current uncertain regulatory environment which has driven many banks to stop servicing the FSC industry and significantly driven up related costs. Survey findings include:

- Average bank fees paid, by store, were \$12,650. This represents a sharp increase from \$5,684 in 2008.
- Twenty-six percent of responding companies "lost their banking relationship" (initiated by bank).
- In addition to those, another 26% of responding companies' banks "changed the parameters in which it does business."
- On a net basis, just over half (52%) of the responding companies reported a significant change in their business banking relationships in the past year.

"The FSC industry has been suffering from the epidemic of bank discontinuance for several years now, and the sharp escalation in the fees our members are required to pay the shrinking number of banks willing to serve our industry is ample testimony to the economic impact of that regulatory ambiguity," said Hank Shyne, FiSCA's Executive Director. "This survey provides more ammunition in the call for federal legislation (H.R. 2893, the Money Service Business Act of 2009) to address this issue once and for all."

In addition, reflective of the overall changes in the consumer marketplace, products outside the industry's traditional core offerings of check cashing and small dollar loans experienced the greatest growth in 2009 versus 2008. For example:

- Prepaid debit cards experienced a 100% growth in the amount of money transferred to the cards, 38% increase in the number of cards sold and 17% increase in the number of reloads.

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- Wire transfers saw a 12% increase in the number of transfers processed and 9% increase in the total gross amount of money transferred.

Twenty-five FiSCA members representing 3,300 stores nationwide responded to the confidential survey. This represents more than 40% of the total number of stores (approximately 6,500) represented by FiSCA. The survey captured data on the wide array of services available at multi-line financial service centers (FSCs), including check cashing, money orders (sold and redeemed), money wire remittances, bill payment services, payday loans, prepaid value cards, and installment loans. The online survey was conducted by Patricia Cirillo, Ph.D., President of Cypress Research Group.

About FiSCA

FiSCA, founded in 1987, is the national trade association for more than 6,500 individual financial service centers across the United States. FiSCA members provide a wide variety of financial services and products to their communities, including check cashing, money orders, money transfers, and electronic bill payment services, automatic teller machine access, government benefit and payroll payments, small dollar short-term loans, electronic tax preparation, prepaid debit cards, deposit acceptance services, public transportation fare and token sales, motor vehicle license plate and title distribution, postage stamp sales and numerous other services. For more information, please visit www.fisca.org.

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