



FINANCIAL SERVICE CENTERS OF AMERICA

Fact Sheet: Industry Regulation

Contrary to popular belief, financial service centers are among the most highly regulated of all consumer financial service providers. Consumer complaints regarding FSCs are virtually non-existent.

Federal Regulation: FSCs are regulated at the federal level and are subject to more than a dozen federal laws including:

- Title X of Dodd-Frank Wall Street Reform and Consumer Protection Act
- Truth in Lending Act and Reg. Z
- Equal Credit Opportunity Act and Reg. B
- Fair Credit Reporting Act and Reg. V
- Red Flags-Fair and Accurate Credit Transactions Act
- Gramm-Leach-Bliley Act and Reg. P
- Electronic Funds Transfer Act and Reg. E
- Federal Arbitration Act
- Electronic Signatures in Global and National Commerce Act (E-sign)
- NACHA Rules and Guidelines
- CAN-SPAM Act
- Fair Debt Collection Practices Act

State Regulation: FSCs are subject to a wide array of state laws, and FiSCA members meet all licensing and regulatory requirements of the states in which they conduct business, for all the products and services they offer:

- 34 states have check cashing-specific statutes.
- Short term consumer loans and payday loans must comply with extensive laws that address virtually every aspect of the transaction. Currently, 38 states permit payday advance lending. FSCs are often regulated by the same state regulators that oversee banks.
- 48 states and D.C. have separate laws governing money transmission services. These laws cover matters such as minimum bonding and capital requirements.

FiSCA's Leadership Role in Anti-Money Laundering Compliance: As Money Services Businesses (MSB), FSCs are subject to the Bank Secrecy Act and the USA PATRIOT Act. These laws require that MSBs have extensive anti-money laundering policies and procedures. FiSCA is a recognized leader in the development of these materials for the MSB industry and FiSCA's BSA/AML policies and procedures have even been adopted as a model for bank oversight of MSB customers.

Industry Self-Regulation: FiSCA has developed detailed Best Practices and Codes of Conduct that govern its members operations and offering of credit.