

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
Chief
Consumer Protection Division

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.
410-576-6307

March 3, 2020

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: Steven M. Sakamoto-Wengel 
Consumer Protection Counsel for Regulation, Legislation and Policy

Re: Senate Bill 939 – Financial Institutions – Check Cashing Services – Registration and
Dissemination of Information (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 939 sponsored by Senator Hayes. Check cashing is another example in which low- and moderate-income individuals have to pay more for basic services because traditional banking services may not be available to them. The bill provides for registration as an alternative to licensing for certain check cashing services that limit the fees they charge for cashing checks and provide certain conspicuous disclosures to individuals cashing checks. As a result of excessive fees and predatory practices in the check cashing industry, the General Assembly enacted legislation that requires those businesses to be licensed by the Commissioner of Financial Regulation and that caps the fees that may be charged for their services. The bill would require businesses that are currently exempt from the licensing requirement but that nevertheless charge fees for check cashing services to similarly be registered with the Commissioner.

Senate Bill 939 would also require check cashing businesses that are required to be licensed to post a brochure at their place of business that informs consumers about the fees to which they would be subject if they use the check cashing service and discusses possible alternatives such as accounts with financial institutions, while warning consumers that those alternatives may also include fees and charges.

The Division believes that Senate Bill 939 will help to protect Maryland consumers so they can make informed decisions about financial transactions and requests that the Economic Matters Committee issue a favorable report on Senate Bill 939.

cc: The Honorable Antonio Hayes
Members, Finance Committee

