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**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Direct Dial No.

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February 19, 2020

To: The Honorable Dereck E. Davis  
Chair, Economic Matters Committee

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

Re: House Bill 1196 – Financial Institutions – Check Cashing Services – Registration and Dissemination of Information (SUPPORT)

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The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 1196 sponsored by Delegates Washington, Ivey, Barron, Charles and Williams. 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.

House Bill 1196 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 House Bill 1196 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 House Bill 1196.



cc: The Honorable Alonzo Washington  
The Honorable Julian Ivey  
The Honorable Ereik L. Barron  
The Honorable Nick Charles  
The Honorable Nicole Williams  
Members, Economic Matters Committee