

PUBLIC NOTICE

BANKING AND INSURANCE  
DIVISION OF BANKING  
OFFICE OF CONSUMER FINANCE

Notice of Action on Petition for Rulemaking

Requested Increase in Fees Chargeable by New Jersey Check Cashier Licensees

Petitioner: New Jersey Financial Service Centers, Inc.

**Take notice** that on April 4, 2008, the Department of Banking and Insurance (Department) received a petition for rulemaking from the above petitioner. The petitioner requested the Department to increase the regulated check cashing fee for standard checks from two percent to 2.86 percent and to increase the minimum fee for the cashing of standard checks from \$.90 to not less than \$1.00 per transaction. The petitioner also requested rulemaking to adopt a provision for an automatic, annual adjustment in check cashing fees for standard checks based on increases in the applicable regional Consumer Price Index as reported by the United States Department of Labor. A notice acknowledging receipt of the petition and summarizing its content was published in the May 19, 2008 New Jersey Register at 40 N.J.R. 2570(a).

On June 3, 2008, the Department referred this matter for further deliberation in order to finalize a Notice of Action on the petition for rulemaking by the New Jersey Financial Service Centers, Inc. (see 40 N.J.R. 4237(a)).

The Commissioner certifies that the petition was duly considered pursuant to law and, upon due deliberation, has determined that the portion of the petition seeking the adoption of a rule providing for an annual automatic adjustment of check cashing fees for standard checks based on the applicable Regional Consumer Price Index as reported by the United States Department of Labor is denied. It is not apparent on the face of the petition that such a rule would be consistent with N.J.S.A. 17:15A-43e and f. N.J.S.A. 17:15A-43e permits increases to such fees by regulation after due consideration by the Commissioner of

the applicable criteria set forth in N.J.S.A. 17:15A-43f. The Department will give this issue further consideration.

The Department is also denying that portion of the petition that seeks an increase in the maximum standard check cashing fee from two percent to 2.86 percent of the cashed check. As noted above, N.J.S.A. 17:15A-43e only permits such increases by regulation after due consideration by the Commissioner of the applicable criteria set forth in N.J.S.A. 17:15A-43f. The Department understands the urgency that members of the New Jersey Financial Service Centers, Inc. feel with respect to this request, as expressed in the materials provided in support of the petition. Based upon its analysis of that material, at this time the Department believes that an increase in the two percent fee currently permitted to be charged for market rate, non-governmental checks may be appropriate, based upon the statutory criteria and other factors, including the length of time that has passed since 1993 when that fee rate was established in the statute. The Department will undertake further analysis in accordance with N.J.S.A. 17:15A-43f to determine if an increase is appropriate. The portion of the petition seeking an increase in the minimum fee for cashing such market rate non-governmental checks from \$.90 to \$1.00 is denied for the same reasons. Should the Department conclude that it is appropriate to proceed with rulemaking based upon the results of the analysis referenced above, an increase in the current minimum fee of \$.90 for cashing such a check may be included in such a proposal.

A copy of this public notice has been mailed to the petitioner.