

2011 -- S 1045

LC02889

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- DEFERRED DEPOSIT OF PERSONAL CHECKS

Introduced By: Senators Miller, and Pichardo

Date Introduced: June 14, 2011

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 19-14.4-5.1 of the General Laws in Chapter 19-14.4 entitled
2 "Check Cashing" is hereby amended to read as follows:

3 **19-14.4-5.1. Customer checks -- Deferred deposits.** -- (a) A check casher may defer the
4 deposit of a personal check written by a customer for a term of no less than thirteen (13) days,
5 pursuant to the provisions of this section. The face amount of the check shall not exceed five
6 hundred dollars (\$500).

7 (b) Each deferred deposit shall be made pursuant to a written agreement that has been
8 signed by the customer and by the check casher or an authorized representative of the check
9 casher. The written agreement shall contain a statement of the total amount of any fees charged
10 for the deferred deposit, expressed both in United States currency and as an annual percentage
11 rate (APR), as required by federal regulations. The written agreement shall authorize the check
12 casher to defer deposit of the personal check until a specific date no less than thirteen (13) days
13 from the date the written agreement was signed and executed. The written agreement shall not
14 permit the check casher to accept collateral.

15 (c) A roll-over is an extension or deferral of the payment due date of a deferred deposit
16 transaction for the payment of only an additional fee.

17 (d) The maximum amount of a single customer's check is five hundred dollars (\$500).

18 (e) The maximum aggregate amount of concurrently outstanding checks held by the

1 licensee or its affiliate from the same customer is five hundred dollars (\$500).

2 (f) The maximum number of concurrently outstanding checks held by the licensee or its
3 affiliates from the same customer is three (3).

4 (g) The maximum number of rollovers permitted is one.

5 (h) The check casher shall give a duplicate original of the agreement to the customer at
6 the time of the transaction.

7 (i) A check casher shall allow a customer the right to rescind, at no cost, a deferred
8 deposit transaction on or before the close of the following business day, provided that the
9 customer returns to the check casher the full original amount of funds advanced.

10 (j)(1) Subject to the terms and conditions of this section, a customer who is unable to
11 repay a deferred presentment transaction when due may elect once every one hundred-eighty
12 (180) days to repay the deferred presentment transaction to the check casher by means of an
13 extended payment plan. The one hundred-eighty (180) day period is measured from the date the
14 customer pays in full one extended payment plan with the check casher until the date that the
15 customer enters into another extended payment plan with the check casher.

16 (2) To request an extended payment plan, the customer, before the close of business on
17 the last business day before the due date of the outstanding deferred presentment transaction,
18 must request the plan and sign an amendment to the deferred presentment agreement that
19 memorializes the plan's terms.

20 (3) The extended payment plan's terms must allow the customer, at no additional cost, to
21 repay the outstanding deferred presentment transaction including any fee due in at least four (4)
22 substantially equal installments. Each plan installment must be due on or after a date on which the
23 customer receives regular income. The customer may prepay an extended payment plan in full at
24 any time without penalty. The check casher shall not charge the customer any interest or
25 additional fees during the term of the extended payment plan. The check casher may, with each
26 payment under the plan by a customer, provide for the return of the customer's prior held check
27 and require a new check for the remaining balance under the plan.

28 (4) If the customer fails to pay any extended payment plan installment when due, the
29 customer shall be in default of the payment plan and the check casher immediately may
30 accelerate payment on the remaining balance. Upon default, the check casher may take action to
31 collect all amounts due.

32 (k) A check casher shall collect any amount due from a deferred presentment transaction
33 in a professional, fair and lawful manner in accordance with the prohibitions against harassment
34 and abuse, false and misleading representations, and unfair practices set forth in the Rhode Island

1 [Fair Debt Collection Practices Act, chapter 19-14.9.](#)

2 SECTION 2. This act shall take effect upon passage.

=====
LC02889
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO FINANCIAL INSTITUTIONS -- DEFERRED DEPOSIT OF PERSONAL
CHECKS

- 1 This act would add further rights and obligations to those operating check cashing
- 2 businesses and those using the services provided.
- 3 This act would take effect upon passage.

=====
LC02889
=====