

## Other Choices...

### To cash your payroll checks:

- Ask your employer if the company will cash the check for you.
- Your employer's bank (the bank on your pay check), will usually cash payroll checks for free, with identification.
- Some grocery stores will cash your payroll check for free when you shop there.

### To cash your government check:

- Many banks cash government checks for free.

### To cash a personal check:

- The bank whose name is on the check may cash the check for free.

## Did you know?

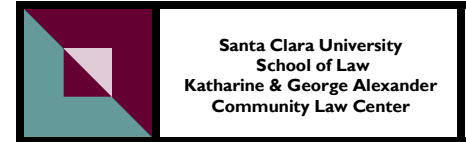
- The average cost of a checking account is \$96 per year
- Cashing checks and buying money orders can cost you an average of \$540 each year
- The average person could **save \$444** a year by opening a checking account



## ALTERNATIVES TO CHECK CASHING

Usually you can open a bank account with:

1. \$100 initial deposit
  2. A California I.D. or passport (U.S. or foreign)
  3. A social security number or taxpayer I.D.
- *Some banks may ask for a pay stub or utility bill*
  - *Sometimes there is a waiting period before you can withdraw funds*



## CHECK CASHING AND PAYDAY LENDING



## How To Save Money And Protect Your Rights

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## LAWS THAT LIMIT CHECK CASHING BUSINESSES



CHECK CASHING OUTLETS ARE BUSINESSES THAT CAN CASH GOVERNMENT, EMPLOYER, OR PERSONAL CHECKS, OFTEN AT A HIGH COST

It is illegal for check cashing businesses to charge you more than:

- 3% (3.5% without I.D.) for government or payroll checks (example: \$3 charge for a \$100 (1789.35(a))\*
- 12% for personal checks (example: \$12 charge for a \$100 check) (1789.35(b))
- \$10 for a one-time fee to open an account (1789.35(b))
- \$15 for a returned check fee

A check casher **must**:

- **Post a clear and easy to see sign** listing all of its fees and requirements for identification. (1789.30)
- **Give you a receipt** for all transactions (1789.35(c))

\* All references are to the California Civil Code

## LAWS THAT REGULATE

## PAYDAY LENDERS



PAYDAY LENDERS ARE BUSINESSES WHICH TAKE A POST-DATED (DEFERRED DEPOSIT) PERSONAL CHECK AND HOLD THAT CHECK FOR UP TO THIRTY DAYS. IN RETURN, THE LENDER PAYS YOU CASH FOR THE CHECK AMOUNT, MINUS THE LENDER'S FEE.

The lender **may not charge you more than**:

- \$10 to set up an initial account (1789.35(b))
- 15% of each personal check you leave in return for a cash advance (example: a \$15 fee for a \$100 check) (1789.35(d))

A payday lender also **may not**:

- wait to deposit your check for more than 30 days (1789.33(a))
- allow you to leave more than one post-dated check at a time (1789.35(e))
- threaten you with police action in response to a debt (1789.33(b))
- take a check for more than \$300

## WHEN BUSINESSES DON'T

## FOLLOW THE LAW

**THE LENDER MUST GIVE YOU A WRITTEN AGREEMENT (IN SPANISH IF THE TRANSACTION IS CONDUCTED IN SPANISH)**

**THAT INCLUDES:**

1. **SIGNATURES OF BOTH LENDER AND BORROWER.**
2. **THE FEES IN BOTH DOLLAR AMOUNT AND ANNUAL INTEREST RATE (APR)**
3. **NO REQUIREMENT FOR COLLATERAL (DEPOSIT OF PERSONAL PROPERTY) (CA.CIV.CODE1789.33(A))**

## Laws Exist To Protect Your Rights As A Consumer.



You Should Know

Pay day lenders charge you the equivalent of about 360% interest for a cash advance. Even the most costly credit cards usually do not charge over 23%.

BE CAUTIOUS OF STORES THAT PRESSURE YOU TO PURCHASE ITEMS IN ORDER TO CASH YOUR CHECK. OFTEN THESE BUSINESSES CHARGE HIGH PRICES FOR PRODUCTS. SOME STORES MAY PRESSURE YOU TO BUY HIGH PRICED ITEMS ON LAY-AWAY. SAYING THAT THE FEES YOU PAY WILL GO TOWARDS YOUR PURCHASE.

MAKE SURE THAT YOU ARE NOT PAYING MORE FOR AN ITEM THAN IT IS WORTH. JUST BECAUSE A BUSINESS AGREES TO CASH YOUR CHECK FOR "FREE"