

financial institutions like Bethex FCU, but in the long-term the check cashier business model isn't helping people get ahead.

"This is unfortunate since you have storefront locations in the communities of greatest need.

"I recognize that check cashers are increasingly looking to build upon their traditional business model to add new services. But I don't see these efforts as doing much for anyone's bottom line but yours. Prepaid debit cards carry multiple fees that add up and drain precious dollars from people's pockets and leave them further removed from traditional banking services. And your industry is now working in Albany for the ability to offer interest rate busting short-term loans, a practice that has decimated low-income communities in other states.

"My hope is that the check casher industry can transition toward playing a more proactive role in wealth-building – rather than wealth depletion -- in the New York City communities they serve. You are currently in a unique position in many low-income neighborhoods because you've become the financial service provider that people trust. But I have come here today to make it clear that we are working to give people a better option. In the end, it comes down to a simple choice: if a safe banking product is available and for free, why pay?"

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STATEMENT OF CONSUMER AFFAIRS COMMISSIONER JONATHAN MINTZ ON JPMORGAN CHASE'S DECISION TO QUIT REFUND ANTICIPATION LOAN BUSINESS
"JPMorgan Chase's decision to pull out of the refund anticipation loan ("RAL") business, along with a growing list of others in the financial services industry, will ideally herald the ultimate and long-overdue demise of these predatory and unnecessary loans," said Consumer Affairs Commissioner Jonathan Mintz. "In New York, our enforcement agents find year after year that tax preparers generally need to lie about these terrible loans to sell them, misrepresenting them as "rapid refunds" rather than costly loans that drain much-needed dollars from those who can least afford it. And because these high-priced RALs go to low-income wage-earners, it siphons taxpayer dollars away from the Earned Income Tax Credit, which Congress specifically intended to help working individuals with low and moderate incomes. It's time to ban these loans once and for all so taxpayers get every penny of the tax refunds our elected officials intended them to receive."