

**CITY OF BALTIMORE
COUNCIL BILL 08-0059R
(Resolution)**

Introduced by: Councilmembers Conaway, Henry, Branch, Reisinger, Young, Clarke
Introduced and read first time: August 11, 2008
Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Request for State Legislation - Non-Customer Check Cashing Bank Fees**

3 FOR the purpose of urging the Honorable Chair and Members of the Baltimore City Delegation
4 to the 2009 session of the Maryland General Assembly to introduce legislation that would
5 stop banks from charging non-customer check cashing fees.

6 **Recitals**

7 When an individual brings a check to the bank of its origin in order to cash it, they are often
8 charged a “non-customer check cashing fee.” These fees range from \$3 to \$10 and can often add
9 up quickly when more than one check is being cashed at a time. In addition, the bank is not
10 risking anything by cashing a check drawn from their own customers account because they know
11 prior to cashing exactly what funds are present in that customers account.

12 According to recent reports, those most likely to be affected by non-customer check cashing
13 fees are individuals without their own bank account, who go to banks to cash their paychecks.
14 A study of the Survey of Consumer Finances found that more than half of the families without
15 checking accounts are nonwhite or Hispanic, and 85% have incomes of less than \$25,000. The
16 rising costs of having a bank account combined with the lack of access to a local bank and
17 branch offices have made keeping an open bank account difficult for some families.

18 In an effort to increase profits, banks are constantly looking for other revenue sources. In
19 addition to directing resources into check-cashing operations, banks are tapping into a new
20 market of low income and minority consumers - this time directly - by charging check-cashing
21 fees, even for checks drawn against their own customer's accounts.

22 These fees are simply taking people’s hard earned money from them. Many people live
23 paycheck to paycheck and need access to all of their funds in order to make ends meet. With
24 banks charging fees for cashing their own checks, there is really no way for people to avoid fees,
25 unless they become a customer of the bank. While banks have the right to gain customer base,
26 they should not be permitted to do so by forcing citizens into corners, where they have no choice
27 but to take a financial hit or become a bank customer.

28 The law on this issue should be updated to reflect current economic times. While citizens are
29 struggling to pay for gas, electricity, food, and other necessities, banks are continuing to take
30 advantage of those in difficult financial situations. The citizens of the State of Maryland who

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 need to cash checks should not be forced into opening bank accounts in order to do so, nor
2 should they be told by the bank teller that the banks own customers' checks cannot be cashed
3 without the payment of a fee.

4 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That this
5 Body urges the Honorable Chair and Members of the Baltimore City Delegation to the 2009
6 session of the Maryland General Assembly to introduce legislation that would stop banks from
7 charging non-customer check cashing fees. .

8 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
9 Honorable Chair and Members of the Baltimore City Delegation to the 2009 Maryland General
10 Assembly and the Mayor's Legislative Liaison to the Council.