

April 4, 2001

S 862. PROCEDURE FOR DELAYED DEPOSIT CHECKS. TO REMOVE THE SUNSET FROM THE PROVISIONS OF THE CHECK CASHIER ACT AUTHORIZING POSTDATED OR DELAYED DEPOSIT CHECKS AND TO AMEND THOSE PROVISIONS TO PROVIDE ADDITIONAL CONSUMER PROTECTIONS AND REQUIREMENTS ON LICENSEES. GS 53-281 permits check-cashing businesses to take personal checks up to \$300 and delay the deposit of the checks for up to 31 days, thereby loaning the check writer the amount of the check for that period. The statute is scheduled to expire July 31, 2001, and this bill deletes the automatic expiration. In addition, the bill makes the following changes to GS 53-281: (1) no customer may have more than \$300 of such loans outstanding, with all check-cashing businesses, at one time; (2) a customer may rescind any such loan at no cost on the next business day; (3) a check-cashing business may extend the time for deposit of a check, thereby extending the loan repayment period, but only if no additional consideration is charged the customer; (4) a customer having trouble repaying such a loan may seek the assistance of an authorized consumer credit counselor, and a check-cashing business must accept any repayment plan worked out by the counselor that meets specified conditions; (5) a check-cashing business may use criminal process to collect such a loan only if the account is closed at the time the check is written or before the delayed deposit, or if the customer stops payment on the check; and (6) a check-cashing business may make up to five consecutive same-day transactions with a single customer.

Amends GS 53-282 to establish specific record-keeping requirements for check-cashing businesses, and to require such businesses to submit information to the Comm'r of Banks. Amends GS 53-284(a) to permit the Comm'r to suspend licenses of check-cashing businesses if they fail to comply with the Commissioner's request for assistance in resolving a complaint or fail to cooperate with any investigation by the Comm'r. Effective Oct. 1, 2001.

Intro. by Jordan.

Ref. to Commerce	GS 53
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