CAMBRIDGE CONSUMERS' COUNCIL

831 Massachusetts Ave. Cambridge, MA 02139
Tel. (617) 349-6150
349-6153

City Of Cambridge

Paul J. Schlaver
Executive Director

serving the
residents of:

Cambridge
Boston

TO: Richard Scali
FROM: Paul Schlaver Paul
DATE: May 6, 1994

RE: Communication #42. dated 5/2/94
Check Cashing Stores

In response to your memo yesterday (see attached) about the above matter I thought I better clarify the potential role of the Consumers' Council in regards to check cashing stores.

The Consumers' Council has had complaints in the past about various other branches of the Boston Check Cashers stores. Thus, we are familiar with the issues and problems with these businesses. Recently, a new law was passed by the State Legislature requiring that check cashing stores be licensed and regulated by the State Banking Commission. The law was signed on December 6, 1993. As of July 1, 1994 such businesses must be licensed. The regulations are almost completed that will be promulgated to accompany the licensing requirements.

Unfortunately the criteria to be used after July 1st to determine the public need for such a store at a particular location (as Prospect St. and Broadway) could not be applied as yet. This criteria would determine if there is a public need and a necessary convenience for area customers that will not be "detrimental to the economy or the public safety in such area."

Existing businesses will also need to obtain a license under this new law, M.G.L. Chapter 169A, even if the above criteria cannot be applied. It is my understanding that part of the regulations that will soon be put in place call for a clear and conspicuous posting of all fees to be charged for services and that the fees are on file with the Banking Commission.

I do feel it is appropriate for the Consumers' Council to at least verify that the Cambridge check cashing stores obtain the licenses required on July 1st and also fulfill this posting-of-fees requirement. You are correct, though, when you say it would take a complaint to prompt an investigation.

Since the Banking Commission will be the regulator of these businesses, I would most likely refer future citizen complaints to that office. The new law does incorporate the legal rights available under Chapter 93A, the Consumer Protection Act. I intend to at least log in future complaints prior to referring them in case testimony is ever needed as to the effectiveness of the new law and its regulations.

attachment
cc. Robert Healy
    Alex Rodriguez

4.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

May 16, 1994

To The Honorable, The City Council:

With reference to Awaiting Report Item No. 37, regarding an examination of check cashing stores, please find attached a response from Paul Schlaver, Executive Director of the Cambridge Consumers' Council.

Very truly yours,

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 4 S-223

Awaiting Report Item Number 37 regarding
an examination of check cashing stores.

For original order see
1994 City Managers
Request # 133.

In City Council,

May 16, 1994

Placed on file