



The leading voice for New York's
financial service center industry

Spring, 2009
Issue No. 5

Welcome!

The FSCNY Update is published on a periodic basis throughout the year to keep members informed of the latest developments in our association and our industry. It also is an effective means of letting public officials, community leaders and others learn more about our business and activities. Should you wish to provide feedback, please contact us at info@fscny.org.

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FSCNY UPDATE

The Official Newsletter of the Financial Service Centers of New York

2009 ALBANY BLITZ: LETTING OUR COLLECTIVE VOICE BE HEARD

It's time to make your voice heard with those who can most impact your business, the New York State Legislature. The annual Albany Blitz is just around the corner.

Each year, the FSCNY Board of Directors travels to Albany to meet with members of the New York State Legislature. The goal of the "Albany Blitz" is to give influential lawmakers the opportunity to learn more about our industry and the issues that are affecting our businesses.

This year's annual Blitz will take place on Tuesday April 28th. The previous evening there is a Board of Director's meeting followed by a dinner. On Tuesday, Dick Smith, FSCNY's lobbyist in Albany, will lead members through a day-long schedule of legislative meetings with some of New York's most important Members of the State Senate and Assembly.

FSCNY initiated this annual event several years ago to help raise the industry's visibility with state legislators while also starting the process of forming direct relationships with them.

"In addition to discussing the broad range of topics that affect our industry, this trip also gives association members the opportunity to network directly with



key decision makers. It has proven to be an invaluable part of our overall government relations program," said FSCNY President Jason Carballo.

"As is the case with most legislative initiatives, in order to make a powerful presence in our state's capital it is important to have a good showing from our membership. Although we've had great participation in the past, this year's political and economic climate makes it even more important to make the trip to Albany," added Carballo.

All FSCNY members are invited to participate in this year's Albany Blitz. For more information or to confirm your attendance, please call FSCNY at (212) 268-1911 or info@fscny.org.

Industry Update: New Maximum Check Casher Fee

Richard Neiman, the Superintendent of Banks for The New York State Banking Department announced that, effective March 2, 2009, the maximum fee that licensed check cashers may charge for cashing a check has been increased from 1.75 percent of the face amount of the check to 1.82 percent, except with respect to the cashing of checks, drafts or money orders for payees that are not individuals.

This automatic fee adjustment applies the Consumer Price Index to the existing check cashing rate to account for increases in the cost of living in New York State. It has been an integral factor in maintaining the industry's continued profitability. The mechanism was achieved through the efforts of FSCNY and its staff. Together, they prevailed upon the Banking Department to adopt regulations providing for annual adjustment of check cashing fees based on the CPI.

Owners are advised to revise all store signage accordingly.



President's Report

Fellow Members,

New York's financial service center industry, formerly known as the check cashing industry, is facing significant legislative, regulatory and perception challenges at all levels of government. And that is why we are aggressively moving ahead with plans to build and reinforce relationships with public officials throughout the state. They will prove instrumental in helping the industry

through this turbulent period. Your association has a well developed strategic plan that we initiated at the beginning of this year to introduce and further educate various groups on the importance and relevance of the licensed financial service industry.

Over the years, FSCNY has forged strong relationships in Albany with both Assembly and Senate members. However, due to the results from last November's election, there have been significant changes in both houses of the Legislature. Therefore, we continue to meet with both established and new members in order to explain the vital role that Financial Service Centers (FSCs) play in New York. As you will read further in this newsletter, we will set out April 27th on our "Albany Blitz," and just as exciting, this year is our first ever "New York City Council Outreach" initiative aimed at introducing the FSC industry to key members of the City Council.

As you can see, FSCNY is very active on behalf of its members.

Now, envision the state of our industry without this well organized trade association. Think about some of its past accomplishments. Would this industry have been able to argue the need for an annual CPI-formulated check fee increase which has been instrumental in allowing licensed check cashers to remain viable? Would we have effectively argued for the passing of the "Banco Bill," a bill that protected our industry when competing banks attempted to circumvent check cashing licensing?

They say the past is prolog, so consider our latest challenge, the "Department Bill" recently proposed by the New York State Banking Department. It would allow non-licensed check cashers to cash checks without having to undergo any licensing procedures and with absolutely no adherence to existing distance restrictions. How would licensees effectively address this bill without FSCNY? Because we stand united - 450 licensees strong - we are able to effectively communicate our position regarding the ramifications that such a bill would have on the industry, if it were to become law. We realize that it could significantly impact the industry and all the consumer protections that go with issuing check cashers licenses. This is a message that we must and will deliver to the leaders of New York City and New York State, but only with your support!

There isn't a greater time for members to show support of the industry than at the 17th Annual Conference and Vendors Show this May 12th at the Brooklyn Marriott. I especially urge all non-members to support FSCNY by not only attending the conference but by joining as members. The old adage "There is strength in numbers" is as true today as ever before. The stronger FSCNY is, the more we can accomplish together.

Sincerely,

Jason Carballo
President, FSCNY

FSCNY Testifies Before NYS Banking Department

Suggests Name Change to "Department of Banking and Financial Services"

Testifying before the New York State Banking Department on April 2nd, FSCNY President Jason Carballo urged the Department to re-examine traditional notions of how financial services are delivered to low- and moderate-income New Yorkers. While banks have traditionally been considered the point of access to the financial system for consumers, millions of New Yorkers use licensed check cashers to conduct their daily financial business.

While holding a series of hearings across the state to examine the performance of its Banking Development District Program, the Department was soliciting input on "ways to better meet the needs of the unbanked and underbanked."

In response, Carballo outlined how financial service centers are already meeting those needs by delivering the financial services that LMI consumers need most. He highlighted the services available at neighborhood FSCs, the high level of customer satisfaction and the shortcomings of traditional institutions. He then showcased the existing partnership between FSCNY members and credit unions through the PayNet program. Carballo suggested that this program could be considerably expanded to provide better services and easier access to banking services.

In concluding his testimony, Carballo urged Superintendent Neiman to change the name of the Banking Department to the Department of Banking and Financial Services. "Names and titles are important. And such a change would send a clear message – to the markets, public officials, regulators, the media and anyone else interested in the industry – that banks are a part of the solution, they are not the entirety of it."

FSCNY will continue to push to gain recognition of the industry's important services and value to consumers in subsequent meetings with the Superintendent and when meeting with legislators in Albany. Carballo's complete remarks can be found on the FSCNY website.

Tips to improving store security

New York has recently experienced a rash of robberies, with 22 incidents occurring in the past four to five months. In response, FSCNY has offered a \$15,000 reward for information leading to the arrest and conviction of individuals committing these crimes. However, just as important as arresting those responsible for past crimes is preventing them from occurring in the future. At the same time, the association wants to remind members of the steps they can take to maximize store security.

How can operators reduce or eliminate losses? The answer is controlling risk exposures through the use of sound security procedures, good security equipment and strong cash management. Check cashers are subject to various types of crime exposures, the most common being: robberies, safe burglaries and employee thefts.

To learn more about the steps you can take to minimize your security risks, please visit www.fscny.org and go to the "What's New" section.

FSCNY Launches New Public Affairs Campaign

FSCNY is expanding its proactive government relations efforts. Continuing our long-standing program to educate the public and our elected officials about the financial services center industry, FSCNY is implementing a strategic public affairs initiative aimed at elected officials in New York City. A great many of our members have locations in the five boroughs.

The goal of this initiative is to build or strengthen relationships between FSCNY Members and influential elected officials while delivering key messages. Some of these messages include FSC's transparency in financial transactions, code of conduct, value and convenience of services to the community, philanthropic and community activities and relationships with key groups.

Meetings are currently being scheduled with New York City Council Members, Borough Presidents and Members of the Bloomberg Administration.

"This effort on the local level in New York City will serve to complement our relationship building activities being conducted in Albany," explained FSCNY President Jason Carballo. "This is another example of how FSCNY is moving aggressively on behalf of its members to enhance the business climate for the check cashing industry. This is the first step in a multi-year program aimed specifically at New York City's influential decision makers."

For more information about our public affairs outreach program or to learn how members can get involved, please contact FSCNY Executive Director Hank Shyne at (212) 268-1911

Banking Department Proposes "Program Bill"

Legislation has been introduced in the New York State Senate that, if enacted into law, could have a significant impact on the state's check cashing industry.

Every year, the state Banking Department proposes legislation that includes a wide range of "house cleaning" measures, technical amendments to clarify or slightly modify existing law. Usually, these measures are non-controversial. However, FSCNY staff examined this year's bill and found two provisions that were particularly troubling. The first would remove from the existing law the requirement that licensees have financial services as their primary business. The second would increase from \$1 to \$5 the exemption threshold for fees collected for cashing checks "incidental" to a company's primary business.

FSCNY has been in contact with the Banking Department on this matter, and met with Banking Department Superintendent Richard Neiman on it several weeks ago to express the industry's dissatisfaction.

"These two provisions are most likely directly aimed at allowing large retailers to initiate check cashing operations in New York State," said Jason Carballo, FSCNY President. "We are vigorously opposing this legislation and are in constant contact with our allies in Albany. It will certainly be a topic when we meet with legislators during our upcoming Albany Blitz (April 28th)."

FSCNY will keep the membership up-to-date on developments.

2009 Vendor Show: The Premier Industry Networking Event

On Tuesday, May 12, 2009 the FSCNY will be hosting its Seventeenth Annual Conference and Vendor Show at the Brooklyn Marriott. This is the industry's signature event in New York and provides unprecedented opportunities for members, their vendors and other interested parties to learn, exchange ideas and network. This year's event promises to be FSCNY's most successful event yet.

Headlining this year's speaking engagements will be Superintendent Richard H. Neiman of the New York State Banking Department (invited) along with members of the state legislature.

Also participating in this year's conference will be more than 40 vendors that specialize in serving the check cashing industry. The awards luncheon will honor the winners of the FSCNY/MoneyGram Scholarship Program.

Adding to this year's featured events will be several topic-specific workshops in addition to compliance certificate workshops. These workshops will be geared towards owners as well as employees and will feature topics such as marketing, employee incentives and retention, risk assessment, and background checks. With this expanded format, there truly will be something for everyone, and operators should consider bringing senior members of the employee/management team to the show.

The event will conclude with a cocktail reception in the vendor display area where owners, employees and vendors can socialize and network.

To register or for more information please visit http://www.fscny.org/vendor_show_2009.htm

Support FSCNY and its Mission

As members can see from other contents in this newsletter, FSCNY has an ambitious legislative agenda for 2009. The association is working tirelessly on behalf of its members to pursue the industry's interests in Albany, New York City and in other jurisdictions throughout the state. However, to fully realize our goals, we need your help.

FSCNY has a political action committee (PAC), that is very useful in helping us with our government relations program. However, it is only as large and robust as the support members give it. Given the significant challenges we face this year, please consider giving \$500 per store location to New York Check PAC. It helps make your association that much more impactful.

If you have any questions, or to make a contribution, please contact Hank Shyne at 212.683.2271

2009 FSCNY Meeting Schedule

All meetings will be held at the New York LaGuardia Airport Marriott (except for the April 27th Board meeting in Albany, May 11th Board of Directors meeting and May 12th Vendors Show & General Membership meeting):

New York LaGuardia Airport Marriott
102-05 Ditmars Boulevard
East Elmhurst, NY 11369
718.565.8900

Monday, April 27

4:30 P.M. - Albany Board of Directors Meeting

Tuesday, April 28

All Day - Albany Legislative Blitz

Monday, May 11

4:30 P.M. - Board Meeting (Brooklyn Marriott)

Tuesday, May 12

All Day - Vendors Show (Brooklyn Marriott)

9:30 A.M. - General Membership Meeting

Tuesday, June 9

4:30 P.M. - Board of Directors Meeting

Tuesday, September 15

4:30 P.M. - Board of Directors Meeting

7:30 P.M. - General Membership Meeting

Tuesday, October 6

4:30 P.M. - Board of Directors Meeting

Tuesday, November 10

4:30 P.M. Board of Directors Meeting

Tuesday, December 8

4:30 P.M. Board of Directors Meeting

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