



Annual Hill Blitz Pays Dividends

REAL FACTS HELP LEGISLATORS MAKE BETTER DECISIONS ON OUR INDUSTRY ISSUES

BY BILL SELLERY

Making more than 80 congressional visits in one day, the FiSCA Board of Directors worked hard this June in Washington during their annual Hill Blitz. The purpose of the Blitz was to help educate members of Congress and their staffs on critical issues such as bank discontinuance, the MSB Coalition, payday advance, and payroll cards. Over the years, your Board of Directors has seen the benefit of

regular interaction with key decision makers in Washington, and the annual Hill Blitz has become the most important focal point of that effort.

In a nutshell, it's a labor that simply pays off in better decisions on our issues.

Led by your Chairman, Gary Dachis, the Board is briefed on the current status of our issues, and provided with concise, well-written summaries of FiSCA's positions on those issues to leave with the congressional offices. Splitting up into groups of two, three, and four, the Board calls on key members of Congress and their staffs to explain the issues in more detail and listen to reactions and comments. It's a process that allows for give and take on the issues, but also educates legislators on how our business operates as the financial mainstream for our customers.

The Board is encouraged to invite congressional representatives to tour their stores back in the states and districts during congressional recesses. A site visit to a store can make a real believer out of someone who has never seen a check-cashing operation – and it truly helps them to better understand the effect of the issues on our business. At the very least, we want Congress to make decisions based on facts, not misperceptions. And those facts can be brought home in an extremely powerful way by seeing firsthand how a business works. All of you are encouraged to invite key decision makers to tour your stores – not just members of Congress, but officials at the state and local level as well. Real facts, presented over and over, are the best ammunition for sound decisions.

Let's move on to the status of some of our key issues, starting with bank discontinuance. The unwarranted, blanket terminations of accounts with check cashers and other money services businesses



(MSBs) still continues in spite of all the work that has been done to show that check cashers make good bank customers. Given that, and given the acknowledged fact that the federal regulators have not provided a solution, we have heeded the call of FiSCA's General Counsel, Gerry Goldman, that federal legislation will be the only lasting solution. To that end, FiSCA has been instrumental in forming the MSB Coalition, a separate stand-alone organization designed to unite all segments of the MSB community into a powerful, well-organized group to work with the banks to support a legislative solution to bank discontinuance. We are pleased to report that the MSB Coalition is gaining significant membership across the country, and has been working effectively with several major banking trade associations to develop draft bill language for consideration on the Hill. Key members of Congress have indicated

their support for our effort, and we expect the formal legislative process to begin very soon.

Payday advance is still a major issue on the Hill, and continues to be a target of various consumer groups who, in many cases, use distorted data and demagogic slogans. Payday advances are regularly lumped into the category of "predatory,"

regardless of their legitimate use. In fact, the demand for small denomination, short-term loans continues to grow. In that regard, policy makers in Washington are keeping a watchful eye on how innovative adjustments to the product are being received in various states. Those results may decide how federal legislators will consider the issue in the future. The issue of payday advance is definitely still on the stove, and could be moved to the front burner in a flash.

The use of payroll cards is also growing, and FiSCA has been supporting a balanced approach to help ensure

equal footing with paper checks in the marketplace. As payroll cards have grown, there may be risks to the consumer that need to be addressed by the Congress. For instance, FiSCA supports applying the same consumer protections to payroll cards as they enjoy with paper checks. And, perhaps even more important, FiSCA believes employees should be given the choice between getting their pay on an electronic card or through a traditional paper check. We are working with Congress to see how those principles may be applied more readily to payroll cards.

Stay tuned to this column, we are anticipating increasing action on many of our issues – and we'll need your personal help and involvement to be successful. ■

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