

February 28, 2023

This packet contains 30 memos in opposition to S.3237/A.480 “The Community Financial Services Access and Modernization Act of 2023,” from the following groups.

- AARP New York
- Banana Kelly Community Improvement Association
- The Black Institute
- Brooklyn Cooperative Federal Credit Union
- CAMBA Legal Services
- Carroll Gardens Association
- Center For Family Life
- Consumer Reports
- Cypress Hills Local Development Corporation
- District Council 37, AFSCME
- Empire Justice Center
- The Episcopal Diocese of Long Island
- Ethical Humanist Society of Long Island, Social Action Committee
- Genesee Co-op Federal Credit Union
- Inclusiv
- The Legal Aid Society
- Lower East Side Peoples Federal Credit Union
- Mobilization for Justice
- New Economy Project
- New York State Community Equity Agenda
- NYPIRG
- NY StateWide Senior Action Council
- Queens Volunteer Lawyers Project
- Syracuse Cooperative Federal Credit Union
- TakeRoot Justice
- TIMBER
- University Neighborhood Housing Program
- WEDI (FKA Westminster Economic Development Initiative)
- WESPAC
- Western New York Law Center

These memos were assembled by New Economy Project on behalf of the NYS Community Equity Agenda coalition. For more information contact Mike Sandmel at mike@neweconomynyc.org

February 28, 2023

BILL NUMBER: S.3237 (Sepulveda) same as A.480 (Cruz)

TITLE OF BILL: An act to amend the banking law, in relation to enacting the "community financial services access and modernization act of 2023"; and providing for the repeal of certain provisions upon expiration thereof

PURPOSE OF BILL: To modernize the law by making modest changes to existing statute to reflect the full scope of financial services available at neighborhood "check cashing" establishments.

STATEMENT OF OPPOSITION: The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

This bill is part of an ongoing effort that would undermine consumer protections throughout the state and would essentially create an unfair two-tiered banking and financial system that could disproportionately have a negative impact communities of color across New York State. By expanding financial services by the check cashing industry as proposed by this legislation, **AARP fears that it could pave the way for predatory practices throughout the state and further entrench our unfair two-tiered financial system.**

If New York is serious about addressing bank redlining and meeting financial services needs, we cannot further an **unfair two-tiered financial system**. The New York State Legislature should get squarely behind proposals to support community development financial institutions that exist to build individual and community wealth through sound banking services that many New Yorkers have access too.

There has been no persuasive articulation as to how the public would benefit from expanding check-cashers authority in stead of addressing the financial needs of New Yorkers. AARP believes that passage of this bill could put New Yorkers' financial security at risk and jeopardize access to sound banking services thile further dividing financial services to a allow for an unfair two-tiered system.

For the above reasons, AARP strongly opposes this legislation.
Please contact Bill Ferris or David McNally at (518) 434-4194 with any questions.



Banana Kelly Community Improvement Association
863 Prospect Ave
Bronx, NY 10459

MEMORANDUM OF OPPOSITION

“Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is deeply troubling that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the **affirmative** policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

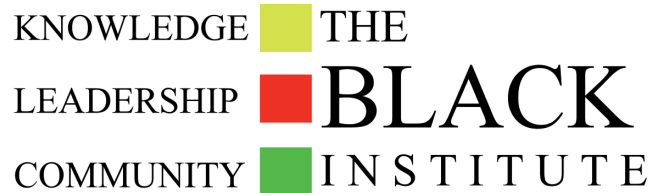
Banana Kelly Community Improvement Association and the Banana Kelly Resident Council oppose S.3237/A.480 for the reasons set forth below.

1. There is no persuasive public policy rationale for expanding the authority of the check-cashing industry as S.3237/A.480 would do. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.
2. The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.
3. In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity.
4. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no internet access or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, **legislators should get squarely behind proposals to support community development financial institutions** that have the explicit mission of building community and individual wealth in Black and brown and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Banana Kelly Community Improvement Association and the Banana Kelly Resident Council believe that passage of this bill would exacerbate financial inequities, and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Gregory Jost at gjost@bkciainc.org or 347-224-3296.



WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The Black Institute opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

The Black Institute believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: The Black Institute, info@theblackinstitute.org, 212-871-6899.

BEDFORD-
STUYVESANT
834 Dekalb Ave,
Brooklyn, NY 11221

BUSHWICK
1474 Myrtle Ave,
Brooklyn, NY 11237

CYPRESS HILLS
282 Chestnut St,
Brooklyn, NY 11208

(718) 418-8232
www.brooklyn.coop

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

Brooklyn Cooperative Federal Credit Union opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical

BEDFORD-
STUYVESANT
834 Dekalb Ave,
Brooklyn, NY 11221

BUSHWICK
1474 Myrtle Ave,
Brooklyn, NY 11237

CYPRESS HILLS
282 Chestnut St,
Brooklyn, NY 11208

(718) 418-8232
www.brooklyn.coop

information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Brooklyn Cooperative Federal Credit Union believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact:

Amanda Trainor, amanda@brooklyn.coop, 718-418-8232 x3400
Samira Rajan, samira@brooklyn.coop, 718-418-8232 x2020



WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

CAMBA Legal Service’s Consumer Law Project works to assist working poor New Yorkers with a broad spectrum of consumer law issues including student loan problems, inaccurate credit reporting issues, and debt collection abuse. CAMBA Legal Services opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in an attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically



redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

CAMBA Legal Services believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Matthew Schedler, matthewsc@camba.org, 718-940-6311 ext. 79284.



CARROLL GARDENS ASSOCIATION, Inc.

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The Carroll Gardens Association (CGA) opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

CGA believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact Ben Fuller-Googins, Deputy Director at bfgoogins@cganyc.org or 917.225.9988



**Center for
Family Life
in Sunset Park**

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

Center for Family Life (CFL) is a neighborhood-based family and social services organization with deep roots in Sunset Park, Brooklyn, that provides a range of services and resources to the local community. CFL opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their



Center for Family Life in Sunset Park

websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Center for Family Life believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact:

Amalia de la Iglesia
a.delaiglesia@centerforfamilylife.org
206-331-0120

Memorandum of Opposition to A.480 and S.3237

Proposed Legislation to Amend the Banking Law in relation to enacting the Community Financial Services Modernization Act of 2023

Consumer Reports opposes A.480 and S.3237, legislation to expand the operating powers of check cashing companies, because it empowers these firms to potentially engage in riskier and more extensive operating activities, with potentially less supervision by the NY Department of Financial Services.

There is no persuasive public policy rationale for expanding the authority of New York's check-cashing industry. Yet A.480/S.3237 would do just that. Through a proposed expansion of check cashers' fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would increase the face value that check cashers in New York can cash -- to \$20,000 -- and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit and create real security and money-laundering risks.

In addition, A.480/S.3237 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites in certain circumstances, which would make it more difficult for New Yorkers to obtain access to this critical information about fees, terms and conditions,, especially for people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial service needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Consumer Reports believes that A.480 and S.3237 would exacerbate longstanding financial disparities in underserved neighborhoods, and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many New Yorkers, especially Black, brown, and immigrant New Yorkers. We are concerned this bill would take New York in the wrong direction, undermining calls for racial and economic justice, and a just economic recovery in our state.

For more information, contact:

Chuck Bell, Programs Director
Consumer Reports
101 Truman Avenue
Yonkers, NY 10703
(914) 378-2507 · (914) 830-0639
mobile www.ConsumerReports.org
chuck.bell@consumer.org

make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Cooperatively Federal believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information please feel free to contact me as follows: christinasauve@coopfed.org, 315-473-0250.

For cooperation,

Christina Sauve

Christina Sauve, CEO

Office Locations:

📍 1816 Erie Blvd East
Syracuse, NY 13210

Mailing Address

📍 401 South Avenue
Syracuse, NY 13204

📍 800 N Salina Street
Syracuse, NY 13208

📍 516 Burt Street
Syracuse, NY 13202





February 16, 2023

625 Jamaica Avenue
Brooklyn, NY 11208-1203

T 718 647 2800
F 718 647 2805
info@cypresshills.org

cypresshills.org

As a community based not for profit organization serving the Cypress Hills/East NY neighborhood in northeast Brooklyn, and a member of NYRL, the Cypress Hills Local Development Corp. (CHLDC) opposes S.3237/A.480 for the reasons stated below.

This bill is part of a constant push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York, given the Covid 19 pandemic.

Every session this bill is introduced, the justification in the sponsor's memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Similarly, they know there is no persuasive public policy rationale for expanding the authority of New York's check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers' fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people challenged by tech devices (e.g. cell phones, computers, tablets, etc.) and have limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' needs from financial service sectors, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another

affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

CHLDC believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would only serve to burden consumers with more hardships. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Rene Arlain – Division Director. Housing Counseling
renea@cypresshills.org, - 718-647-8100.

LEGISLATIVE MEMO:

WE OPPOS



Check Cashers Modernization Act S.3237/Sepulvada - A.480/Cruz

Legislative Department

(518) 436-0665

Odetty Tineo

Director, PAL DC 37

Sybil A. McPherson

Assistant Director, PAL

This bill would allow check cashers to cash increasingly higher face valued checks, cash post-dated checks, and expand the types of checks that may be cashed. The name changes, the licensing expansion, and the ability to issue proceeds of checks in forms other than cash, have been removed by stakeholder advocacy. This bill requires the Department Financial Services (DFS) to review its licensing procedures and propose to the Legislature ways to streamline or simplify the process. This industry's predatory business model in communities traditionally underserved by federally chartered banks and credit unions requires greater oversight, not less. As an example, prior to recent revamping of DFS' methodology, check cashers enjoyed fee rate increases as often as requested, as the law only required a showing of a change in the regional consumer price index (CPI).

This bill was part and parcel of a larger plan to chip away at the longstanding protections in New York against abusive and misleading banking services. This bill should be read in conjunction with its former companion (A.6693-Crespo of 2019), which would authorize check cashers to be conduits for other fringe lenders. We cannot ignore that this industry would like to offer costly loan products that have proven harmful to poor working people, new immigrants, and seniors. Opening the door for check cashers to "modernize" endorses their model of extracting wealth from clients by bypassing more stringent licensing prerequisites and oversight required of banks.

District Council 37 supports expanding the availability of **credit unions, community development financial institutions (CDFIs) and local public banks** (See S1754/Sanders), which will truly help low-income citizens, municipalities, small businesses, working New Yorkers and senior citizens, and will benefit their communities. We do not endorse a two-tiered financial services system that attempts to sidestep the needs of poor, working class families, and their communities in favor of profits for shareholders. District Council 37 members and their families oppose any expansion or modernization of the check casher industry!

On behalf of the 150,000 members of District Council 37 and our 89,000 retirees, we urge your staunch opposition to this legislation.

January 31, 2023

American Federation of State, County & Municipal Employees, AFL-CIO
125 Barclay Street New York, NY 10007-2179 • Tel: (212) 815-1550 Fax: (212) 815-1553



119 Washington Ave. ♦ Albany, NY 12210
Phone 518.462.6831 ♦ Fax 518.935-2852
www.empirejustice.org

Memorandum in Opposition

“Community Financial Services Access and Modernization Act”

S.3237 (Sepúlveda)/A.480 (Cruz)

Empire Justice Center strongly opposes S.3237 (Sepúlveda)/A.480 (Cruz). The bill is part of a perennial, concerted push to put the interests of the fringe financial services industry before the interests of New Yorkers and communities, undermining consumer protections and communities throughout New York State.

The check-cashing industry has tried for years to obtain special carve-outs from New York’s longstanding usury laws which impose interest rate caps for small dollar lending and effectively keep insidious payday lending out of our state. The check-cashing industry has long sought licenses to directly make high-cost small business and consumer loans, and to broker, through vaguely defined “conduit services,” high-cost loans and other unspecified products and services for out-of-state and federally chartered banks.

The current legislation contains alarming amendments that may appear benign on their face, but unquestionably open the door to the further development of a two-tiered financial system – one with strong protections for people who are banked, and a second with weak consumer protections for the unbanked, typically lower-income New Yorkers and those residing in underserved and historically redlined communities.

Current statute forbids check cashers from cashing post-dated checks except under certain very limited circumstances. S.3237/A.480 provides broad exemptions to this long-standing prohibition, including the cashing of up to 5-day post-dated government-issued, personal, and employer-issued checks. This opens the door for check cashers to lend money, without bringing them under the scope and regulations that cover traditional lenders. New York State has a very well regulated and monitored financial services system. There is no need to allow check cashers to advance money separate and apart from our current structure.

The bill also increases the check limit that check cashers can cash from \$15,000 to \$20,000 and extends the exemption to cash a check of any size from government issued checks to include unemployment, pension and union checks, and expands the exemption to checks from, or certified by, any banking institution to any financial institution. These changes would offer no public benefit but would create real security and money-laundering risks.

For all of these expansions, there is no statutory restriction or limit on the amount or nature of the fees that can be charged for services, nor other additional consumer protections. The lack of any consumer protections in the bill should give great pause to lawmakers considering these changes.

In addition, the bill allows check cashers that do electronic advertising to provide required disclosures only through their website rather than conspicuously posting on the digital advertisement, making it less likely consumers will see the disclosures. A common mantra by the financial services industry is that financial education and disclosure is needed, not regulation. Empire Justice takes the position that disclosure alone is almost never sufficient to protect consumers, but when disclosures are allowed to be hidden as they would

be with this change, it eviscerates even this lowest form of consumer protection. (Basic disclosure requirements could include such things as requiring disclosures to be placed prominently in the digital media, on the first page of the website, in multiple languages, and not behind a firewall where the visitor has to dig or input personal information to access).

One additional note on the bill substance, our opposition is not based on the repetitive amendment that updates language to add the female pronoun “or her” to each instance where the current statute states “he” but we suggest instead that standard statutory language used by New York State be amended from “he or her” to “they.”

If New York is serious about addressing bank redlining and meeting financial services’ needs, legislators should get squarely behind proposals to support community development financial institutions that exist to build individual and community wealth, particularly in Black, brown, and immigrant communities. Municipal public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. The New York State Legislature should also press banks to comply with laws that require them to serve all communities equitably, within the bounds of safe and sound banking principles. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

By expanding fringe financial services, S.3237/A.480 could pave the way for widespread predatory practices throughout the state and further entrench our unfair two-tiered financial system. This bill would put New Yorkers’ financial security in further jeopardy, and adversely impact the lowest-income New Yorkers who continue to face extremely difficult financial issues due to high inflation and the increase in interest rates. For this reason and the reasons set forth above, **Empire Justice Center strongly opposes the passage of S.3237/A.480 and urges the New York State Legislature to not pass the bill.**

This memorandum was prepared by:

Kirsten Keefe kkeefe@empirejustice.org

Barbara Van Kerkhove bvankerkhove@empirejustice.org

Updated February 2023



The Episcopal Diocese of Long Island

BROOKLYN • QUEENS • NASSAU • SUFFOLK

*The Reverend Canon Marie A. Tatro,
Canon for Community Justice Ministry*

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepulveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The Episcopal Diocese of Long Island opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

The Right Reverend Lawrence C. Provenzano, Bishop

36 Cathedral Avenue, Garden City, NY 11530 • 516-248-4800 • Fax 516-877-1349 • www.dioceselongisland.org

The Episcopal Diocese of Long Island believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: The Rev. Cn. Marie A. Tatro, mtatro@dioceseli.org, (516) 698-9554

ETHICAL HUMANIST SOCIETY *of Long Island*

38 Old Country Road, Garden City, NY 11530

Dr. Richard L. Koral
Leader
Dr. Arthur B. Dobrin
Leader Emeritus

Phone: 516-741-7304
Fax: 516-741-7305
Email: office@ehsli.org
Web: www.ehsli.org

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The Social Action Committee of the Ethical Humanist Society of Long Island strongly opposes S.3237/A.480. The Ethical Society has for some two hundred years fought for social justice and human dignity for all people, and consistently opposed all forms of exploitation and human oppression as is expressed by the activity of pay day lenders.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.



If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

The Social Action Committee of the Ethical Humanist Society of Long Island believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Dr. David Sprintzen, Ethical Society Social Action Chairperson, 51-364-2178, dsprintz@liu.edu.





Genesee Co-op

Federal Credit Union

www.genesee.coop

395 Gregory Street
Rochester, NY 14620-1327
Phone: 585.461.2230
Fax: 585.461.3189

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”
S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic and inflation have caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

Genesee Co-op Federal Credit Union opposes S.3237/A.480. Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000 and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support Community Development Financial Institutions (CDFI’s) that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Genesee Co-op FCU believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic and inflation have caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Melissa Marquez, CEO, melissa@genesee.coop, 585-461-2230 x 111



WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

Inclusiv is a national network representing more than 450 community development credit unions and financial cooperatives — Including the majority of CDFI certified and minority designated credit unions in New York — serving over 17 million people in the low-income communities and communities of color that have been most severely impacted by the recent public health and economic crises. As the leading national expert on community development finance and financial inclusion for credit unions, Inclusiv is committed to ensuring that all communities have access to safe, affordable, and equitable financial products.

Inclusiv opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to



obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Inclusiv believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information, please contact: Jules Epstein-Hebert – jhebert@inclusiv.org – 646-367-3187



WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The mission of The Legal Aid Society’s Civil Practice is to improve the lives of low-income New Yorkers by providing legal representation and advocacy to vulnerable families and individuals so that they are able to obtain and maintain the basic necessities of life and access the benefits to which they and their families are entitled. The Society’s Civil Practice focuses on enhancing individual, family, and community stability by serving our clients in resolving a full range of legal problems in the areas of housing, public benefits, foreclosure prevention, immigration, domestic violence and family law, health law, employment, elder law, tax law, community economic development, health law and consumer law. The Society’s Consumer Law Project provides direct representation and advocacy on behalf of low-income New Yorkers on consumer debt issues. The Legal Aid Society opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks.

The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and

Justice in Every Borough.

individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

The Legal Aid Society believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Tashi Lhewa at ttlhewa@legal-aid.org.

February 13, 2023

MEMORANDUM REGARDING
“Community Financial Services Access and Modernization Act of 2023”
S.3237 (Sepúlveda) / A.480 (Cruz)

Legal Services NYC believes that S.3237/A.480 will be harmful to the low-and-moderate income “LMI”) clients that we serve for the reasons detailed below.

Legal Services NYC (“LSNYC”) is the nation’s largest provider of free civil legal services to the poor. For more than 50 years, LSNYC has provided expert legal assistance and advocacy to low-income residents of New York City. Each year, LSNYC’s neighborhood offices across New York City serve tens of thousands of New Yorkers, including homeowners, consumers of financial products, tenants, the disabled, immigrants, the elderly, and children.

There is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry, especially in the harmful ways this bill would do so. Yet S.3237/A.480 proposes to *expand* check cashers’ fringe financial services and it would further entrench a separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and it *would place no limit whatsoever on the face value of certain types of checks*. These changes would offer no public benefit but would create real security and money-laundering risks. In addition, S.3237/A.480 would permit check cashers to cash certain *post-dated checks*, effectively allowing check cashers to engage in prohibited lending activity. It is difficult to imagine any circumstances under which cashing post-dated checks should be permitted.

The bill would also allow check cashers *to make required disclosures only through their websites*, which would effectively obscure this critical information from the marginalized New Yorkers in unbanked communities who are relegated to using these services. Given the breadth of the digital divide that became so apparent in the aftermath of COVID-19-- and its racial implications--permitting this information to be disclosed solely through check-cashers’ websites seems designed to perpetuate inequality and extraction of wealth from communities of color and the elderly. There is no imaginable reason to permit check cashers to make such disclosures solely through their websites unless it is the legislature’s intent to insure that consumers of these services do not receive the mandated disclosures.

Jacob Inwald
Director of Foreclosure Prevention
Legal Services NYC
Legal Support Unit

40 Worth Street, Suite 606, New York, NY 10013
Phone: 646-442-3634 e-mail: jinwald@lsnyc.org www.LegalServicesNYC.org
Raun J. Rasmussen, Executive Director
William T. Russell, Jr., Board Chair



To address bank redlining and meet New Yorkers' needs for financial services, investing in community development financial institutions (CDFIs) that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities instead would be far more effective than expanding the authority of check cashing businesses with a long history of taking advantage of the communities who have no choice but to use their services. Local public banking could also help build wealth in, rather than extract wealth from, historically redlined communities. LMI consumers deserve better than the extractive financial services peddled by check cashers. This bill would harm the most vulnerable members of society by relegating them to fringe financial services instead of encouraging the funding of CDFIs and other institutions whose business model is not based on extracting wealth from LMI communities of color.

LSNYC believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections New York State has enacted. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Jacob Inwald, jinwald@lsnyc.org, 646-442-3634.

Jacob Inwald
Director of Foreclosure Prevention
Legal Services NYC
Legal Support Unit

40 Worth Street, Suite 606, New York, NY 10013
Phone: 646-442-3634 e-mail: jinwald@lsnyc.org www.LegalServicesNYC.org
Raun J. Rasmussen, Executive Director
William T. Russell, Jr., Board Chair





WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The Lower East Side People’s Federal Credit Union (LES People’s is a 36 year old community development credit union with over \$90 million in assets and branches in Manhattan on the Lower East Side and East Harlem, and the North Shore of Staten Island. We are also currently serving the Bronx with our mobile branch. Our mission is to promote economic justice and opportunity in NYC neighborhoods. We are owned by our members and dedicated to providing high-quality financial services and community development investments in low income, immigrant and other underserved communities. Our Field of Membership includes any low income resident in the five boroughs of New York City. Since receiving our charter in 1986, we have reinvested over \$150 million in our communities. LES People’s opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.



In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

LES People's believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Linda Levy, llevy@lespfcu.org



100 William Street, 6th Floor
New York, NY 10038
Tel 212-417-3700
Fax 212-417-3890
www.mobilizationforjustice.org

MEMORANDUM IN OPPOSITION S.3237 (Sepúlveda) / A.480 (Cruz) February 2023

Bill Number(s): S.3237/A.480
Title of Bill: Community Financial Services Access and Modernization Act of 2023

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. The Legislature should not expand fringe financial services and contribute to the ever-widening racial wealth gap in New York, especially in light of the financial distress and ongoing repercussions the the COVID-19 pandemic has had on so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

Mobilization for Justice’s (MFJ) mission is to achieve justice for all. MFJ prioritizes the needs of people who are low-income, disenfranchised, or have disabilities as they struggle to overcome the effects of social injustice and systemic racism. We provide the highest-quality free, direct civil legal assistance, conduct community education and build partnerships, engage in policy advocacy, and bring impact litigation. We assist more than 14,000 New Yorkers each year, benefitting over 24,000. **MFJ opposes S.3237/A.480 for the reasons set forth below.**

Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal two-tiered financial system. The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks. In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

Instead, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

MFJ believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

**For more information, please contact: Ariana Lindermayer at (212) 417-3742,
alindermayer@mfjlegal.org.**

LEGISLATIVE MEMO:

WE OPPOSE



S.3237 (Sepúlveda) / A.480 (Cruz)

“Community Financial Services Access and Modernization Act of 2023”

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

New Economy Project’s mission is to build a just economy, based on cooperation, equity, social and racial justice, and ecological sustainability. Since our organization’s founding in 1995, we have worked with hundreds of grassroots groups to challenge Wall Street banks and other corporations that harm New Yorkers and perpetuate poverty, inequality, and segregation. We also work with groups to build democratically-structured, community-controlled initiatives, including community land trusts, mutual housing, worker and financial co-ops, and more.

New Economy Project opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract

wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

New Economy Project believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Sarah Ludwig, sarah@neweconomynyc.org, 212-680-5100, ext. 207



WE OPPOSE:

“Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

The NYS Community Equity Agenda is driven by a broad-based coalition of nearly 50 community, labor, civil rights, and legal services groups, cooperative organizations, and community development financial institutions. It calls for policies and actions that transform our fundamentally unjust social, political, and economic systems, putting racial and economic justice front and center and addressing long-standing inequities that play out at neighborhood and regional levels. The NYS Community Equity Agenda opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract

wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

The NYS Community Equity Agenda believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Mike Sandmel, mike@neweconomynyc.org, 212-680-5100, ext. 213



CONTACT: [Kyle Giller](#) PHONE: [917 880-5619](#)

S.3237/A.480

IN SENATE, BILL NUMBER 3237. INTRODUCED BY SENATORS SEPULVEDA, COMRIE, PARKER, SERRANO

IN ASSEMBLY, BILL NUMBER 480. INTRODUCED BY MEMBERS OF ASSEMBLY CRUZ, COOK, HEVESI, RAMOS, DICKENS, BURGOS, SAYEGH, STERN, DILAN, ZIMMERMAN

AN ACT to amend the banking law, in relation to enacting the "community financial services access and modernization act of 2023"; and providing for the repeal of certain provisions upon expiration thereof

SUMMARY OF PROVISIONS:

This bill would expand the authority of licensed check cashers by allowing them to cash certain post-dated checks; increasing the amount of checks that may be cashed to \$20,000; removing the \$20,000 cap for certain kinds of checks; and allowing required consumer protection disclosures for digital ads and solicitations to be disclosed via a link, not directly presented with the promotion.

STATEMENT OF OPPOSITION:

Too many New Yorkers do not have traditional bank accounts ("unbanked") or rely at least in part on fringe banking services, like check cashers, to handle their finances ("underbanked"). This means that lower income New Yorkers and their communities are held back, spending a higher percentage of their limited incomes on accessing funds and paying bills. This is no way to get ahead.

According to a 2019 study, New York City residents are significantly more likely to be unbanked or underbanked compared to national figures: 360,000 households unbanked and 780,000 underbanked.¹ According to a recent AARP report, "among households headed by someone age 50 to 64, 3 percent of White non-Hispanic households had no bank accounts, *while African American/Black non-Hispanic households had unbanked rates more than five and a half times as high, and Hispanic/Latino households more than four times as high.*"² [Italics added.]

Expanding the business opportunities for check cashers will not help lower income New Yorkers manage and save their money. Instead, New Yorkers will be more likely to be stuck among the unbanked or underbanked if check cashers expand and we fail to focus on the need for banking services in low-income communities. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New

¹ *Where are the Unbanked and Underbanked in New York City?*, The Urban Institute (2015). Accessed at <https://www.urban.org/sites/default/files/publication/71511/2000430-Where-Are-the-Unbanked-and-Underbanked-in-New-York-City>.

² *Financial Access Challenges for Older Adults*, AARP, September 9, 2020. Accessed at <https://www.aarp.org/ppi/info-2020/financial-access-challenges-for-older-adults.html>.

Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

The bill contains a few revisions to this version of the legislation that are of particular concern. First, the bill substitutes the term “limited station” for the previously used “mobile unit” when referring to certain check cashing services that may be provided other than in a traditional office setting. As written “limited station” could allow check cashing services to conduct business outside its offices in any way it chooses – it’s possible it would include bicycles, and possibly even services delivered on foot. This would allow check cashing services to more aggressively prey on certain communities, particularly the elderly and homebound, who will feel they have no choice but to pay exorbitant fees to deposit their money.

Further, the bill removes the \$20,000 cap from checks derived from workers’ compensation funds, pension funds, or profit sharing funds. There is no discernible reason for the dollar caps to be removed for these specific types of checks, other than an attempt by check cashing institutions to take a larger cut of money deposited by New Yorkers. What makes this particularly egregious is that in many instances, the source of these funds may be tax dollars, earned pension dollars or compensation for workplace injuries. Check cashing services are specifically trying to extract fees from public dollars and worker benefits with this proposal.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

NYPIRG recommends you oppose this legislation.

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

NY StateWide Senior Action Council, Inc. (StateWide) opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

StateWide believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: María Alvarez, Executive Director, maconsult@aol.com 1-800-333-4374.



Mark Weliky, Esq.
Executive Director
QVLP

QUEENS VOLUNTEER LAWYERS PROJECT, INC.

90-35 148th Street, Jamaica, New York 11435
(718) 291-4500 ext. 225 Fax (718) 739-6560
MWeliky@QCBA.org

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023” S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

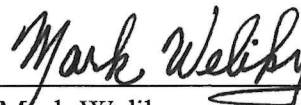
The Queens Volunteer Lawyers Project, Inc. (QVLP) opposes S.3237/A.480 for the reasons set forth below. Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks. In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

QVLP believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Mark Weliky, 718 291-4500 x225 MWeliky@QCBA.org



Mark Weliky

Executive Director, QVLP

February 24, 2023

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”
S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. **It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers.** The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

Syracuse Cooperative Federal Credit Union, dba Cooperative Federal, is a Community Development Financial Institution (CDFI) and a Minority Depository Institution (MDI) serving the City of Syracuse. Our membership is predominantly comprised of people living on low-income, people with no credit or credit scores below 600, and we serve a multilingual membership. Cooperative Federal opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.


The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.


In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would

Office Locations:

 1816 Erie Blvd East
Syracuse, NY 13210

Mailing Address

 401 South Avenue
Syracuse, NY 13204

 800 N Salina Street
Syracuse, NY 13208

 516 Burt Street
Syracuse, NY 13202

make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

Cooperative Federal believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information please feel free to contact me as follows: christinasauve@coopfed.org, 315-473-0250.

For cooperation,

Christina Sauve

Christina Sauve, CEO

Office Locations:

📍 1816 Erie Blvd East
Syracuse, NY 13210

Mailing Address

📍 401 South Avenue
Syracuse, NY 13204

📍 800 N Salina Street
Syracuse, NY 13208

📍 516 Burt Street
Syracuse, NY 13202





WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

TakeRoot Justice opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

TakeRoot Justice believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Temdud Wan, twan@takerootjustice.org (646) 459-3048.

TIMBER | MEMORANDUM OF OPPOSITION

S.3237 (Sepulveda) / A.480 (Cruz)

Check Casher Proliferation Bill

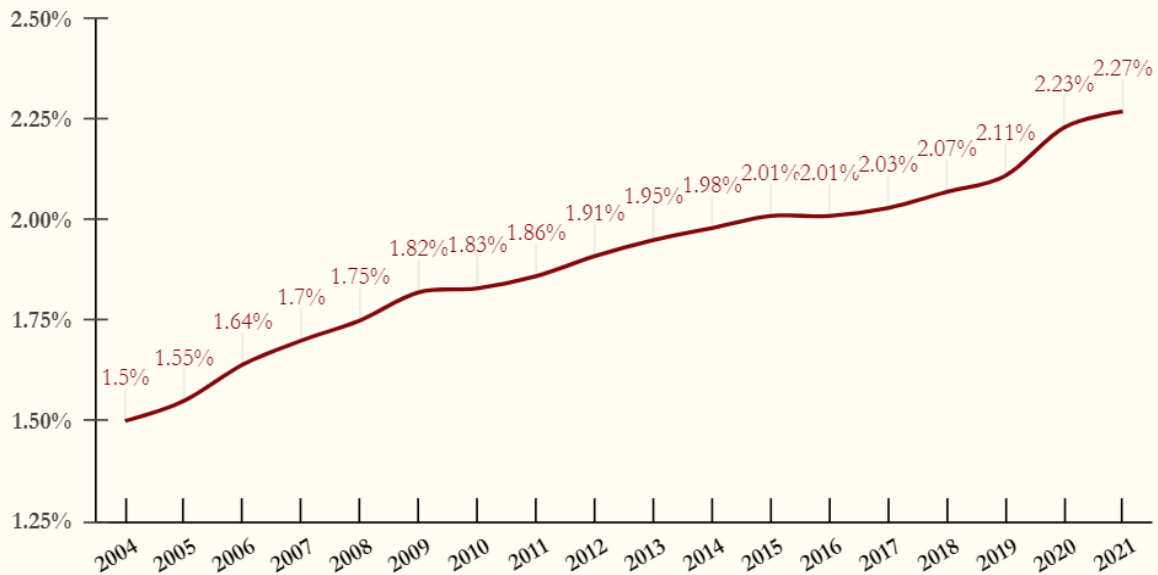
Purpose: This legislation allows check-cashers to cash checks valued at up to \$20,000 and cash post-dated checks. It also permits check-cashers to advertise their services electronically.

Background: The check-cashing industry emerged from the banking crisis of the Great Depression and has been regulated by New York since the Check Cashers Act of 1944.¹ Although customers typically cash checks with banks and credit unions for free, check-cashers offer those services to anybody for a fee. Ace Cash Express' 2006 SEC report summarizes the industry eloquently:

“We operate in the check cashing and short-term consumer loan industries. Growth in these industries has been fueled by several demographic and socioeconomic trends, including an overall increase in the population and declining to stagnant growth in household income of lower- and middle-income people. [...] Closings of less profitable or lower traffic bank branches, primarily in lower-income neighborhoods where the branches have failed to attract a sufficient base of customer deposits, have resulted in fewer convenient alternatives for consumers. These trends have combined to increase demand for the basic financial services we provide.”²

The check-cashing industry in New York has grown dramatically in recent history due in large part to dramatic deregulation. In 1988, the maximum rate for check-cashing was raised from 0.75% to 0.9%.³ The most dramatic deregulations for the industry occurred very recently; between 2004 and 2021.

Maximum Check Cashing Fee in New York State (2004 - 2021)



Data from Department of Financial Services Industry Letters: https://www.dfs.ny.gov/industry_guidance/industry_letters

¹ <https://ag.ny.gov/sites/default/files/opinion/2004-F5%20pw.pdf>

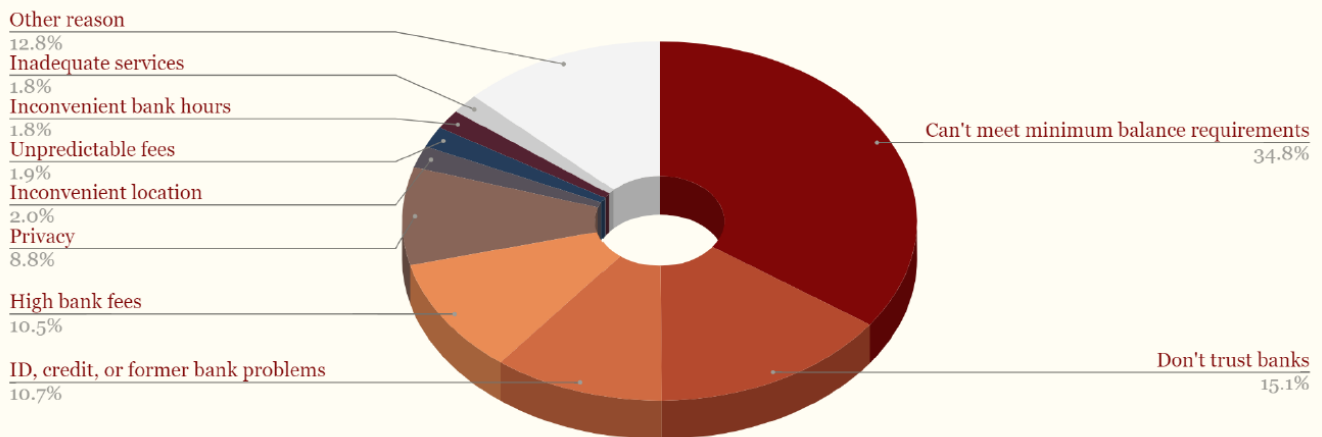
² <https://www.sec.gov/Archives/edgar/data/849116/000095013406016959/d39225e10vk.htm>

³ <https://www.kansascityfed.org/documents/827/1991-Check-Cashing%20Outlets%20in%20the%20U.S.%20Financial%20System.pdf>

Justification: Check-cashers extract profits from financial precarity. Like cryptocurrency exchanges, payday lenders, pawnshops, and other similar enterprises operating at the margins of our banking system, check-cashers often use provocative language when discussing the laws that govern their behavior: loosening regulations empowers them to take on Wall Street, while tightening regulations means the most vulnerable among us suffer.⁴

In limited circumstances, check-cashers do, unfortunately, play a critical role for many of the 411 thousand (5.6%) New York households who do not have bank accounts due in large part to their inability to meet minimum balance requirements along with skepticism about their practices, privacy concerns, unpredictable fees.⁵

Main Reason for Remaining Unbanked, 2019 (US Northeast)



Source: Federal Deposit Insurance Corporation, 2019 FDIC Survey

However, rather than fortifying the roles of inherently predatory businesses by loosening the rules, we encourage state legislators to instead devote their energy toward a positive vision of universal financial services centered around well-regulated credit unions and banks. **If decades-old regulations protecting the working class pose an existential threat to a business model, we consider that business model to be very unfortunate.**

TIMBER nurtures daily democracy in the Capital Region by advocating for reforms to make our civic infrastructure more resilient, effective, and accountable. We strongly oppose this legislation.

⁴ <https://politicsny.com/2022/09/21/check-cashing-stores-could-shutter-in-the-bronx-following-state-proposal-to-slash-fees/>

⁵ <https://www.fdic.gov/about/strategic-plans/performance/2022annualplan.pdf>





UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

Affordable Housing • Research • Bronx Resources • Action

40 & STILL FIGHTING!

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

University Neighborhood Housing Program (UNHP) works to create, preserve, and improve affordable housing and bring needed resources to the Northwest Bronx. UNHP achieves its mission in three primary ways; as a community-based affordable housing developer, a Bronx-focused researcher, and through the Northwest Bronx Resource Center as a direct-service provider. UNHP opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.



UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

Affordable Housing • Research • Bronx Resources • Action

40 & STILL FIGHTING!

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

UNHP believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Jumelia Abrahamson, jumelia@unhp.org or 347-514-0154

**WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”
S.3237 (Sepúlveda) / A.480 (Cruz)**

WEDI’s mission is to strengthen communities through a continuum of educational and financial resources, removing systemic barriers to economic equity for all Western New Yorkers. WEDI’s dual focus areas of Education and Economic Development work in tandem to tackle systemic inequities that affect Buffalo’s underserved residents, many of whom are people of color. By supporting youth to succeed in school and empowering entrepreneurs to launch, sustain, and grow small businesses, WEDI is helping to create a more equitable Buffalo. **The purpose of this letter is to express WEDI's opposition of the Community Financial Services Access and Modernization Act of 2023, S.3237/A.480. This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.**

For the safety and financial security of New Yorkers, it is crucial that public policy that expands the check-cashing industry must be stopped in its tracks. There is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system. The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000 and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks. In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

For New York to seriously address its abhorrent history of pervasive redlining, legislators must support efforts which expand equitable and responsible financial services, and not fringe financial services that further extract wealth from New York's most underserved communities. WEDI believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact:

Yanush Sanmugaraja, ysanmugaraja@wedibuffalo.org, (716) 496-3871



WESPAC FOUNDATION

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

This bill is part of a perennial push by the fringe financial services industry to put their interests ahead of the interests of New Yorkers and New York communities by undermining consumer protections throughout the state. It is inconceivable that the Legislature would even consider the possibility of expanding fringe financial services at this time, given the ever-widening racial wealth gap and massive financial distress that the COVID-19 pandemic has caused for so many New Yorkers. The bill is antithetical to the affirmative policy changes needed to close the racial wealth gap, address longstanding redlining, and ensure a just recovery in New York.

WESPAC Foundation, Inc., a 49 year Center for Progressive Social Change in Westchester County, opposes S.3237/A.480 for the reasons set forth below.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. Thankfully, our elected officials see through this and stop the bill in its tracks every year. Like us, they know there is no persuasive public policy rationale for expanding the authority of New York’s check-cashing industry. Yet S.3237/A.480 would do just that. Through a proposed expansion of check cashers’ fringe financial services, the bill would further entrench our separate and unequal, two-tiered financial system.

The bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make

The logo for WESPAC Foundation features a stylized purple leaf or flower shape in the background. The text "WESPAC" is written in large, bold, purple capital letters on the top line, and "FOUNDATION" is written in smaller, bold, purple capital letters on the bottom line, centered under "WESPAC".

WESPAC FOUNDATION

required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers' financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

WESPAC Foundation, Inc. believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

For more information contact: Nada Khader, WESPAC Foundation Director at wespacfoundation@gmail.com or by phone at 914.449.6514.



37 Franklin Street, 2nd Floor, Buffalo, New York 14202
T: 716.855.0203 lmencobello@wnylc.net
F: 716.270.4005 www.wnyc.com

WE OPPOSE: “Community Financial Services Access and Modernization Act of 2023”

S.3237 (Sepúlveda) / A.480 (Cruz)

The Western New York Law Center opposes S.3237/A.480 for the reasons set forth below.

By way of background, our office runs free consumer clinics for people in Western New York. Our representation includes credit counseling, helping people with unfair collections, and in court representation for people who are being sued for debts they do not owe.

This bill would raise the maximum value that check cashers in New York can cash from \$15,000 to \$20,000, and would place no limit whatsoever on the face value of certain types of checks. These changes would offer no public benefit but would create real security and money-laundering risks.

In addition, S.3237/A.480 would permit check cashers to cash certain post-dated checks, effectively allowing check cashers to engage in prohibited lending activity. The bill would also allow check cashers to make required disclosures only through their websites, which would make it more difficult for New Yorkers who use these services to obtain access to this critical information, especially people with limited or no Internet access, or limited-data plans.

If New York is serious about addressing bank redlining and meeting New Yorkers’ financial services needs, legislators should get squarely behind proposals to support community development financial institutions that have the explicit mission of building community and individual wealth in Black, brown, and immigrant communities. Local public banking is another affirmative solution that will build wealth in, rather than extract wealth from, historically redlined communities. We welcome the opportunity to work with New York legislators and others to address bank redlining and to pursue affirmative public policy solutions.

The Western New York Law Center believes that passage of this bill would exacerbate existing financial inequities and weaken the strong consumer protections for which we have fought so hard in New York State. The COVID-19 pandemic has caused tremendous financial distress for so many, especially Black, brown, and immigrant New Yorkers. S.3237/A.480 would serve only to take advantage of that distress. In short, the bill would take New York in the wrong direction, undermining the road towards racial and economic justice and a just recovery.

Every session this bill is introduced, the justification in the sponsor’s memo is rewritten through the lens of a new political framing in a yet-to-be successful attempt to camouflage the implications of the measure. This bill unequivocally reinforces the permeating inequity in our economic system and allows for the suppression of consistently marginalized individuals. It exemplifies the pervasive affects that Black, brown, and immigrant communities continue to face in our financial lending practices, of which New York State advocates have been tirelessly fighting against.

For these reasons, we ask that this legislation not be enacted.

For more information contact: Lauren Mencobello, lmencobello@wnylc.net, 716.855.0203