



September 12, 2017

Saving More of Your Hard-Earned Money

As Chair of the House Financial Institutions Committee, I am working hard so people can work with banks and other financial institutions to save more money to achieve their financial goals for their families.

People who decide not to have a relationship with a bank could soon pay more to cash a check at a local currency exchange. Recently, Gov. Bruce Rauner's administration approved a rate increase for Illinois' currency exchange owners. The Illinois Department of Professional Regulators that regulates currency exchanges has approved double-digit percentage increases of the industry's state-sanctioned check-cashing fees. The hike covers all checks, including government-backed, payroll and personal.

In June, the Illinois Department of Financial and Professional Regulation gave the industry exactly what it had requested. That's worth repeating: The state gave the currency exchange owners everything they wanted. Under the plan, cashing a check of \$100 or less will cost a dollar and 2.5 percent of the check's face value. That's a whopping 46 percent increase over the current rate. Checks between \$100 and \$1,250 will cost 2.5 percent of the face value, an 11 percent jump; checks of \$1,251 or more will be charged 3 percent of the draft's amount, a 33 percent hike.

What are the alternatives to cashing your checks at currency exchanges? Well, there are several good reasons why you should have a bank account:

It saves you money:

- Using check cashers may seem more convenient than having a checking account at a bank, but these services cost much more. Check cashing stores charge up to 2.25% of your check...just to cash it.
- If you are cashing a \$250 check, it would cost you more than \$5.
- Cashing two checks a month with a check cashing company would cost you 5 times more in fees than having a checking account at a bank or credit union.
- If you purchase money orders often, the costs for those add up as well.

It's safe:

- Without an account at a bank or credit union to keep your money safe, you and your family could easily lose your money to theft, or fire.
- Money deposited into a bank or credit union is protected by the Federal government – insured by the Federal Deposit Insurance Corporation up to \$250,000.

It's convenient:

- With a checking or savings account, you can deposit your checks and access your money for little or no cost.
- You can pay bills with checks, on the Internet, or by direct debit for much less than you can buy money orders for those payments.
- You can use your debit card to make purchases at stores or to withdraw money from ATMs across the city.
- You can also keep track of your spending and your purchases either online, by phone, at the ATM, or at the bank or credit union teller.

It helps you save for the future:

- Do you want to own a home one day?
- Do you want to start your business or go back to school?
- Having a checking or savings account makes it much easier to save your money and reach your financial goals.

Buying a home or any major purchase requires a relationship with a bank. A currency exchange should be used only for convenience and not a regular means to manage your financial business.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Ford', with a stylized flourish at the end.

La Shawn K. Ford
State Representative-Eighth District