

New Jersey Check Casher Laws

17:15A-31. Definitions

As used in this act:

“Applicant” means a person who has applied or is in the process of applying for a license pursuant to this act.

“Automated cash machine” means an unmanned communications terminal which dispenses cash, traveler's checks or both; does not accept deposits; and through which transactions with banking institutions are consummated.

“Automated check cashing machine” means an unmanned communications terminal which only cashes checks for a fee.

“Check” includes a check, draft, money order, negotiable order of withdrawal and similar types of negotiable instruments.

“Commissioner” means the Commissioner of Banking and Insurance.

“Controlling interest” means ownership, control or interest in 25% or more of the outstanding and issued voting stock of the check cashing business.

“Customer” means any person who seeks to have a check cashed by a licensee but does not include the maker of a check payable to another person.

“Department” means the Department of Banking and Insurance.

“Fee” includes any fee, charge, cost, expense, or other consideration.

“License” means a license issued pursuant to this act and held by a licensee, which license authorizes the licensee to cash checks for a fee as provided pursuant to this act.

“Licensee” means a person who holds, or who should hold, a license pursuant to this act.

“Limited branch office” means a private premises where a licensee maintains and makes available to the particular group specified in the authorization, and to that group only, the facilities for cashing checks, drafts, or money orders on the designated premises for no more than two days of each week as designated in the authorization pursuant to subsection c. of section 12 of this act and also includes the premises where payroll services are provided.

“Mobile office” means any vehicle or other moveable means from which the business of cashing checks is conducted.

“Natural person” does not include a payee identified on the payee line of a check as a partnership, professional association, company, corporation, or other business entity.

“Office” includes a principal office and a full branch office.

“Payroll service” means a service provided, pursuant to a written agreement, by a licensed check casher to an employer in which the employer pays a fixed fee or rate for the on-site delivery of payroll or cashing of payroll checks issued to its employees, at no cost to the employees.

“Person” has the meaning given that word in [R.S.1:1-2](#).

“Substantial stockholder” means any person who beneficially owns or controls more than 10% of the outstanding voting shares of an applicant or a licensee.

17:15A-32. Nontransferable license required

No person shall cash a check for a fee unless that person has a license. The license shall not be transferable or assignable.

17:15A-32.1. Check cashing businesses; sale of assets

a. A person who is conducting business as a check casher pursuant to [P.L.1993, c. 383 \(C.17:15A-30 et seq.\)](#), whose license was continued pursuant to section 21 of [P.L.1993, c. 383 \(C.17:15A-50\)](#), and who is not the subject of any action by the commissioner pursuant to section 19 or 20 of [P.L.1993, c. 383 \(C.17:15A-48 or 17:15A-49\)](#), shall be permitted to sell the assets of the business of cashing checks.

b. A person purchasing the assets of the business of cashing checks from a person permitted to sell those assets pursuant to subsection a. of this section shall be required to:

(1) qualify for a license pursuant to the provisions of P.L.1993, c. 383 ([C.17:15A-30 et seq.](#)), except that the person shall not be required to comply with the provisions of subsection e. of section 12 and subsection f. of section 18 of [P.L.1993, c. 383 \(C.17:15A-41 and 17:15A-47\)](#); and

(2) conduct the business of cashing checks from the location the address of which is listed on the license of the person from whom the assets of the business of cashing checks are being purchased.

c. A business of cashing checks which is sold and purchased pursuant to subsections a. and b. of this section may be sold and purchased subsequently as long as each time the business is sold the seller is not the subject of any action by the commissioner pursuant to section 19 or 20 of [P.L.1993, c. 383 \(C.17:15A-48 or 17:15A-49\)](#) and the person purchasing the business of check cashing:

(1) qualifies for a license pursuant to the provisions of P.L.1993, c. 383 ([C.17:15A-30 et seq.](#)), except that the purchaser shall not be required to comply with the provisions of subsection e. of section 12 and subsection f. of section 18 of [P.L.1993, c. 383 \(C.17:15A-41 and 17:15A-42\)](#); and

(2) conducts the business of cashing checks from the location the address of which is listed on the license of the person from whom the business of cashing checks is purchased.

17:15A-33. Licensing requirements

Any person wishing to be licensed to cash checks for a fee shall:

- a. Submit to the commissioner a completed written application on forms prescribed by the commissioner which shall contain notice that false statements made therein are punishable and supported by evidence as required by the commissioner;
- b. Submit an application fee as prescribed by the commissioner by regulation in an amount not to exceed \$2,000;
- c. Submit proof of net worth and liquid assets as required pursuant to section 8 of this act; and
- d. Execute a statement on the application in which the applicant consents to allow the department to examine the records of the bank account or accounts used for its check cashing business.

17:15A-34. Approval of application for license; requirements

The commissioner shall approve an application for a license if:

- a. The applicant has complied with the requirements of section 4 of this act;
- b. The commissioner finds that the financial responsibility, experience, character, and general fitness of the applicant support the belief that the business will be operated honestly and fairly; and
- c. The commissioner finds that none of the grounds for revoking or suspending a license set forth in section 19 of this act exist.

17:15A-35. Applications for licensure; contents

The application for a license shall include, but not be limited to, the following:

- a. The name, age, business address, residence and present and previous occupations of each applicant or licensee and of each officer, owner, director, partner, and substantial stockholder of the check cashing business to be licensed;
- b. The name and business address of each manager of each office, mobile office or limited branch office that the applicant proposes to operate;
- c. The address of each stationary site, if the check cashing business, or any portion thereof, is to be conducted from a stationary site or sites;
- d. The New Jersey motor vehicle registration number or other identification of the mobile office and the exact location or locations, if more than one, at which the applicant proposes to operate the mobile office, if the check cashing business, or any portion thereof, is to be conducted from a mobile office;
- e. Any other information that the commissioner may reasonably require;
- f. All licensees shall have an affirmative obligation to advise the commissioner in writing within five days of any change in the information required under subsections a., c. and d. of this section; and
- g. An applicant's customer information, customer lists, authorizations and customer contracts submitted to or

obtained by the department in connection with an application for licensure for a limited branch office shall be confidential and not public records subject to public access, inspection or copying under P.L. 1963, c. 73 ([C. 47:1A-1 et seq.](#)) or the common law concerning access to public records. The applicant's name and address and an application for licensure for a limited branch office shall be public records. Nothing contained in this subsection shall restrict the authority of the department or any other governmental entity to access documents, whether or not deemed public records, submitted in connection with an application for a limited branch office license.

17:15A-36. Fingerprints and background checks required of all officers, substantial stockholders and employees of licensee

Each director, substantial stockholder, officer, owner, partner, manager, and employee in the check cashing business of a licensee shall submit to being fingerprinted on forms supplied by the commissioner and shall provide written consent to the performance of background checks. The commissioner is authorized to exchange fingerprint data with and receive criminal history record information from the Federal Bureau of Investigation and the Division of State Police for use in performing background checks. The commissioner is authorized to conduct such additional background checks as he deems appropriate. The department is authorized to collect from the applicant or licensee any costs connected with these background investigations.

17:15A-37. Minimum capital or net worth requirements for check cashing business

An applicant shall prove, in a manner and form satisfactory to the commissioner, that the applicant has available for the operation of its check cashing business at each office , mobile office or automated check cashing machine location, capital or net worth of at least \$50,000, and has available for the operation of its check cashing business at each office , mobile office or location, liquid assets of at least \$50,000.

17:15A-38. Services of public accountant required; contract for services; notification of changes

- a. Each applicant shall engage and each licensee shall maintain the services of a public accountant, which accountant shall assist the licensee to maintain the records of the check cashing business in an orderly and accurate manner.
- b. The contract between the licensee and the public accountant shall include a statement by the accountant consenting to allow the department to examine all records of the licensee at the accountant's place of business during normal business hours.
- c. If a licensee changes the public accountant used to assist in the maintenance of the licensee's records of the check cashing business, the licensee shall notify the department within 15 days of the date a change is made and provide the department with the information required pursuant to subsection d. of section 10 of this act.

17:15A-39. Conditions for issuance of license

No applicant for a license shall commence operations until a license has been issued. The commissioner shall not issue a license unless the following conditions have been met:

- a. The application for the license has been approved pursuant to section 5 of this act;
- b. The applicant's place or places of business have been approved by the department and the department has determined that the applicant has the necessary equipment to record transactions and maintain other records as required by this act;
- c. The applicant has submitted to the department a statement that the applicant has a bank account or accounts which

will be used solely for the check cashing business, together with the number or numbers of those accounts and the name of the institution in which each account is held; and

d. The applicant has submitted to the department the name and business address of the applicant's public accountant and evidence acceptable to the commissioner demonstrating compliance with subsections a. and b. of section 9 of this act.

17:15A-40. Validity of license; fees

a. A license shall be valid until surrendered by the licensee, or unless revoked or suspended pursuant to this act.

b. The license shall be for a term of not less than two years as set by the commissioner by regulation.

c. A licensee may bring a civil action in Superior Court against another licensee, or against a depository institution subject to subsection b. of section 21 of [P.L.1993, c. 383 \(C.17:15A-50\)](#), as amended, or subsection c. of section 21 of [P.L.1993, c. 383 \(C.17:15A-50\)](#), as amended, for violating any of the following provisions, if that violation has an impact on the check cashing business of the licensee bringing the action: (1) section 3 of [P.L.1993, c. 383 \(C.17:15A-32\)](#); (2) the requirements set forth in paragraph (6) of subsection d. of section 12 of [P.L.1993, c. 383 \(C.17:15A-41\)](#); (3) subsection e. of section 12 of [P.L.1993, c. 383 \(C.17:15A-41\)](#); (4) subsection f. of section 18 of [P.L.1993, c. 383 \(C.17:15A-47\)](#); (5) subsection b. of section 21 of [P.L.1993, c. 383 \(C.17:15A-50\)](#); or (6) subsection c. of section 21 of [P.L.1993, c. 383 \(C.17:15A-50\)](#). Nothing contained in this subsection shall be construed to restrict, limit or alter in any way the commissioner's authority to enforce the provisions of "The Check Cashers Regulatory Act of 1993," [P.L.1993, c. 383 \(C.17:15A-30 et seq.\)](#) or any other law.

d. If a licensee has not provided check cashing services during normal business hours at the location specified in the license for a period of 180 consecutive days or more, and if no application for renewal of the license or relocation of the licensed check casher is or shall have been filed prior to expiration of that 180-day period, the department may, after notice to the licensee and opportunity to be heard, revoke the license or for good cause shown, the department may extend the 180-day period.

17:15A-41. Maintenance of office for transaction of business; types of permissible offices; conditions

a. Except as provided in subsections b., c. and d. of this section, a licensee shall have and maintain a single office at one address in the State for the transaction of business. No licensee shall change the address of an existing office without prior written approval from the commissioner.

b. The commissioner shall authorize a licensee, pursuant to an application approved by the commissioner, to establish and operate a full branch office or offices at which may be conducted all of the business which may be conducted at the principal office if:

(1) the licensee provides the name of the person who will manage the full branch office;

(2) the licensee has paid a full branch application fee, as specified by regulation;

(3) the licensee has submitted proof, as required pursuant to section 8 of this act, [\[FN1\]](#) that there is sufficient net worth and liquid assets for the operation of a full branch office;

(4) the site of the full branch office has been approved by the commissioner and the commissioner has determined that the applicant or licensee has the necessary equipment to record transactions and maintain other records as required by this act; and

(5) the licensee or applicant has met any additional conditions which the commissioner may require in the public interest.

c. The commissioner shall authorize a licensee, pursuant to an application approved by the commissioner, to operate a limited branch office or offices, the business of which shall be limited to cashing checks for a particular group or groups at one or more private premises, provided that the holder of a limited branch authorization observes all of the rules and regulations issued by the commissioner applicable to all licensees except that:

(1) the books and records required to be kept may be kept at the principal office of the licensee; and

(2) the requirements of section 8 of this act concerning capital and net worth shall not apply with respect to a limited branch office if the licensee is in compliance with section 8 of this act with respect to its principal office.

d. The commissioner shall authorize a licensee, pursuant to an application approved by the commissioner, to operate a mobile office, the business of which shall be conducted from a suitable motor vehicle or similar mobile device, at a designated geographic location or locations specified to the commissioner in its application and for the purpose of serving the public in that specific location or locations if the commissioner finds that:

(1) an applicant for a mobile office has met the requirements of paragraphs (1) through (3) and (5) of subsection b. of this section;

(2) the mobile office facility has been approved by the commissioner and the commissioner has determined that the applicant has the necessary equipment to record transactions and maintain other records as required by this act;

(3) the commissioner has approved the one or more geographic locations and the days and hours of operation at each geographic location at which the check cashing services of the mobile unit are to be made available to the public for the cashing of checks, drafts or money orders;

(4) the place where the books, records, and all information pertaining to its business are to be kept and made available to representatives of the department has been specified, which location shall not be changed without first advising the department in writing of the new location where those books, records and information shall be kept;

(5) a licensee's application for multiple geographic locations for operating a mobile unit is in the public interest; and

(6) the holder of a license to operate a mobile unit is in compliance with the provisions of Title 39 of the Revised Statutes and the ordinances and traffic regulations issued by municipal and other authorities. If a municipality requires a special permit or license fee for the purpose of operating a mobile unit, the applicant or licensee shall obtain that permit or license as a condition for the issuance of the authority to operate a mobile unit pursuant to this section.

e. No office or mobile office shall be located within 2,500 feet of an existing office or mobile office, that distance being measured as the radius of a circle with the entrance to the existing office or mobile office considered the center point from which the radius is measured.

17:15A-42. Sale or transfer of controlling interest in check cashing business subject to commissioner's approval

Any sale or transfer of a controlling interest in a licensee's or applicant's check cashing business shall be approved by the commissioner prior to the transfer or sale, after the licensee or applicant has provided written notice of the proposed sale or transfer to the commissioner. The commissioner shall approve the transfer or sale unless he determines, following an opportunity for a hearing, that sufficient grounds exist to deny, revoke, or suspend the license.

17:15A-43. Check cashing fees

No licensee shall charge a fee or receive any other consideration, directly or indirectly, which is greater than the amount permitted pursuant to this section, as follows:

- a. For cashing a check drawn on a depository institution or other financial entity located in this or any other State, two percent of the face amount of the check, or \$.90, whichever is greater;
- b. For cashing a check payable to a recipient of aid to families with dependent children (AFDC), one percent of the face amount of the check, or \$.90, whichever is greater;
- c. For cashing a check payable to a recipient of supplemental security income pursuant to Subchapter XVI of the Social Security Act, [42 U.S.C. s.1381 et seq.](#), one and one half percent of the face amount of the check, or \$.90, whichever is greater;
- d. For cashing a check payable to a recipient of old-age and survivors benefit payments pursuant to Subchapter II of the Social Security Act, [42 U.S.C. s.401 et seq.](#), one and one half percent of the face amount of the check, or \$.90, whichever is greater;
- e. On or after the 365th day from the effective date of this act, subsequent increases to the fees which may be charged pursuant to subsection a. of this section by a licensee for cashing a check, draft or money order shall be set by the commissioner by regulation;
- f. In setting the fees pursuant to subsection e. of this section, the commissioner shall consider, but not be limited to, the following:
 - (1) rates charged in the past;
 - (2) the income, cost and expense of the operation of licensees;
 - (3) rates charged by licensed check cashers or other similar entities located in other states for the same or similar services and the factors upon which those rates are based;
 - (4) changes in the population served; and
 - (5) a reasonable profit for check cashers.

17:15A-44. Duties of check cashing licensee

A licensee shall:

- a. Conspicuously display at each office, limited branch office or mobile office it operates the original license, certificate or branch authorization, as appropriate, issued by the commissioner.
- b. Conspicuously display all signs and notifications which the commissioner may require.
- c. Provide each customer, at the time of a transaction, with a record of each transaction as specified by regulation.

d. Produce a photographic record, on such equipment as the commissioner may prescribe, of all of the checks cashed at the place of business and maintain a true copy of each such record.

e. Endorse each check cashed with the actual name under which the licensee is doing business and legibly write or stamp the words "Licensed Cashier of Checks" immediately after or below the licensee's name.

f. Conduct all check cashing business through a bank account or accounts which are used solely for that purpose, and which have been identified as such to the department.

g. Inform the department if any bank account number changes or if any bank account is closed.

h. Maintain adequate records of its check cashing business as prescribed by the commissioner by regulation.

i. Retain for five years essential records, and retain all other records for a shorter period as prescribed by the commissioner by regulation. Such records shall be separate from the records of other businesses in which the licensee may be engaged. Although separate records are required, it is not required that the licensee's check cashing business have a different legal identity from other businesses in which the licensee is engaged.

j. Suspend for at least six months the check cashing privileges of any customer who cashes, in any one calendar year, more than three checks which are returned by the payor bank because of insufficient funds, and notify the department in writing of the name of such customer and the action taken, except that for purposes of this subsection two or more checks of a single maker which are returned because of insufficient funds shall be counted as one check provided they were cashed the same day and deposited in the licensee's bank account on the same banking day.

k. Maintain at all times a capital or net worth of at least \$50,000 for the operation of the licensee's check cashing business at each office , mobile office and automated check cashing machine location, and maintain at all times liquid assets of at least \$50,000 for the operation of the licensee's check cashing business at each office , mobile office and automated check cashing machine location.

l. (1) Maintain on its premises, a record keeping system by which a licensee may track, and provide for inspection at the request of the commissioner, checks which the licensee cashed and which were made payable to a payee other than a natural person and checks which the licensee cashed in the amount of \$2,500.00 or more .

(2) The record keeping system required pursuant to paragraph (1) of this subsection l. shall include, but not be limited to, the following information:

(a) the date of the transaction;

(b) the name of the payee;

(c) the federal tax payer identification number of the payee;

(d) the face amount of the check;

(e) the date of the check;

(f) the name or names of those presenting the check for payment;

(g) the name of the financial institution on which the check is drawn and the financial institution's transit routing number;

(h) the amount of the fee charged; and

(i) a photograph, photostat, duplicate, microfilm, microfiche or any other reproduction of the front and back of the fully endorsed check.

(3) The record keeping system shall be made available to any State or federal law enforcement agency upon written request and without necessity of subpoena.

m. File with the Attorney General of New Jersey a duplicate copy of any report a licensee is required to file regarding business conducted in this State pursuant to [31 U.S.C.s.5311 et seq.](#) and 31 C.F.R.s.103 et seq.

n. Supervise employees engaged in the operation of the check cashing business to ensure the business is conducted lawfully and pursuant to the provisions of this act and any order, rule or regulation made or issued pursuant to this act.

17:15A-45. Annual reports

Each licensee shall annually file a report with the commissioner giving the information the commissioner may require concerning its check cashing business and operations during the preceding calendar year. In addition to the annual report the commissioner may require additional regular or special reports as the commissioner deems necessary to effectuate the purposes of this act. These reports shall be made under oath or affirmation and shall be in the form and within the time prescribed by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," [P.L.1999, c. 274 \(C.2A:58-10 et seq.\)](#). A warrant may issue in lieu of a summons.

17:15A-46. Examination of books and records

The department shall have the right to examine the books and records, and the place or places of business of any licensee. The reasonable cost of the examination shall be borne by the licensee. The department may order that the books and records be made available, and that the examination take place, at the office of the licensee's public accountant.

17:15A-47. Prohibited transactions

No licensee, or any person acting on behalf of a licensee, shall:

a. Cash a check which is made payable to a payee which is other than a natural person unless the licensee has on file a corporate resolution or other appropriate documentation indicating that the corporation, partnership or other entity has authorized the presentment of a check on its behalf and the federal taxpayer identification number of the corporation, partnership or other entity;

b. Cash a check for anyone other than the payee named on the face of the check, except that the commissioner may, by regulation, establish exceptions to this prohibition;

c. Cash or advance any money on a postdated check;

d. Fail to give each customer at the end of each transaction a receipt showing the amount of the check which was cashed, the amount which was charged for cashing the check, and the amount of cash which the customer was given;

e. Engage in the business of making loans of money, credit, goods or things or discounting or buying of notes, bills of exchange, checks or other evidences of debt, or conduct, or allow to be conducted, a loan business or the negotiation of loans or the discounting or buying of notes, bills of exchange, checks or other evidences of debt in the same premises where the licensee is cashing checks. For purposes of this subsection, a licensee shall be deemed to have made a loan if the licensee cashes a check deposited by a customer whose check cashing privileges were required to be suspended under subsection j. of section 15 of this act. Notwithstanding the provisions of this subsection, any person licensed as a pawnbroker in this State shall be eligible to qualify as a licensee under this act, and upon being so licensed, may conduct business as a check casher in the same premises in which that person conducts business as a pawnbroker;

f. Engage in business at an office or mobile office other than a business which primarily provides financial services, except as otherwise provided pursuant to subsection e. of this section;

g. Violate any provision of this act or regulations promulgated pursuant to this act; or

h. Fail to comply with any order of the commissioner.

17:15A-48. Revocation or suspension of check cashing license

a. Except as provided in subsection c. of this section, the commissioner may revoke or suspend a license if, after notice and hearing, the commissioner determines that the licensee:

(1) Has violated any provision of this act or any order, rule, or regulation made or issued pursuant to this act or has violated any other law in connection with the operation of the check cashing business;

(2) Has failed to pay any fee, penalty, or other lawful levy imposed by the commissioner;

(3) Has withheld information or made a material misstatement in the application for the license, or in any branch application or in any other submission to the department;

(4) Has been convicted of an offense involving breach of trust, moral turpitude or fraudulent or dishonest dealing, or has had a final judgment entered against him in a civil action upon grounds of fraud, misrepresentation or deceit;

(5) Is associating with, or has associated with, any person who has been convicted of an offense involving breach of trust, moral turpitude or fraudulent or dishonest dealing, or who has had a final judgment entered against him in a civil action upon grounds of fraud, misrepresentation or deceit;

(6) Has become insolvent or has acted in a way that indicates the licensee's check cashing business would not be operated in a financially responsible manner;

(7) Has demonstrated unworthiness, incompetence, bad faith or dishonesty in transacting business or otherwise; or

(8) Has engaged in any other conduct which would be deemed by the commissioner to be grounds to deny, revoke or suspend a license.

b. Pending an investigation or a hearing for the suspension or revocation of any license issued pursuant to this act, the commissioner may temporarily suspend such license for a period not to exceed 90 days, if the commissioner

finds that such suspension is in the public interest.

17:15A-51. Waiver of requirements prohibited

Any agreement to waive any requirement contained in this act shall be unenforceable and void.

17:15A-52. Rules and regulations

a. The commissioner shall promulgate rules and regulations pursuant to the “Administrative Procedure Act,” P.L.1968, c. 410 ([C.52:14B-1 et seq.](#)), necessary to effectuate the purposes of this act.

b. If the commissioner finds that reasonable grounds exist for requiring additional record keeping and reporting in order to carry out the purposes of this act, the commissioner may:

(1) issue an order requiring any group of licensees in a geographic area to provide information regarding transactions that involve a total dollar amount or denomination of \$2,500 or more, including the names of the persons participating in those transactions; and

(2) establish by regulation a reasonable fee for filing any report required by this subsection.