

New Jersey Check Casher Regulations

3:24-1.1 Purpose

The purpose of this chapter is to implement and to augment the requirements of [N.J.S.A. 17:15A-30](#) et seq., "The Check Cashers Regulatory Act of 1993."

3:24-1.2 Scope

These rules are applicable to all licensed check cashers and applicants for licensure.

3:24-1.3 Definitions

Words and terms, when used in this chapter, shall have the meanings as defined below, unless the context clearly indicates otherwise.

"Act" means [N.J.S.A. 17:15A-30](#) et seq., "The Check Cashers Regulatory Act of 1993."

"Appropriate documentation" means a corporate resolution filed with the Secretary of State, Federal taxpayer identification number, filed New Jersey Certificate of Authority, filed trade-name certificate or other readily verifiable official document.

"Cash" (cashing a check) includes both the exchange of money for the presentment of a check, and the acceptance of a replacement check for one which has been returned for insufficient funds.

"Commissioner" means the Commissioner of Banking and Insurance.

"Consideration" means, but is not limited to, a requirement by the check casher that a person make a purchase or otherwise patronize a business operated by the check casher in order to cash a check at the check cashing establishment, or a returned check charge imposed by a bank.

"Department" means the Department of Banking and Insurance.

"Disabled person" means, for the purpose of these rules, a person whose disability either temporarily or permanently prevents him from going into a check cashing establishment for the purpose of cashing a check.

"Essential records" includes all records listed in N.J.S.A. 17:15A-44(l) and (m); N.J.A.C. 3:24-5.3(a); and all corporate resolutions.

"Insolvent" means that the check cashing licensee cannot or does not pay his or her debts as they become due in the normal course of business, or his or her financial statement indicates that the licensee has a negative net worth.

"Payday loan" means an agreement to defer the presentment of a negotiable item, or defer the deposit of an item for collection, or defer debiting the borrower's account electronically or by any other means, in return for a consideration or other thing of value where the rate, fee or other consideration charged for such forbearance exceeds the "maximum rate permitted by law" as that phrase is used in [N.J.S.A. 2C:21-19](#). "Payday loan" shall include, but not be limited to, such loans made:

1. In person;

2. Through an agent;
3. By electronic means (including telephone, fax, computer, internet or similar means); or
4. Through response to an advertisement or solicitation made in this State.

"Person" includes corporations, companies, associations, societies, firms, partnerships and joint stock companies as well as individuals, unless the context clearly indicates otherwise.

"Refund anticipation loan" means an agreement to lend a borrower funds, or to extend any other consideration to a borrower, in return for a promise by the borrower to repay the loan or other consideration that includes an assignment of the borrower's Federal and/or state tax refund, where the rate, fee or other consideration charged for such forbearance exceeds the "maximum rate permitted by law" as that phrase is used in [N.J.S.A. 2C:21-19](#). "Refund anticipation loan" includes, but is not limited to, such loans made:

1. In person;
2. Through an agent;
3. By electronic means (including telephone, fax, computer, internet or similar means); or
4. Through response to an advertisement or solicitation made in this State.

"Title loan" means an agreement to lend a borrower funds, secured by a title to a motor vehicle, which loan is in return for a consideration or other thing of value where the rate, fee or other consideration for such forbearance exceeds the "maximum rate permitted by law" as that phrase is used in [N.J.S.A. 2C:21-19](#). "Title loan" shall include, but not be limited to, such loans made:

1. In person;
2. Through an agent;
3. By electronic means (including telephone, fax, computer, internet or similar means); or
4. Through response to an advertisement or solicitation made in this State.

3:24-1.4 Application fees

- (a) An application fee of \$700.00 shall be charged for the following:
 1. Application for a principal office;
 2. Application for a full branch office;
 3. Application for a limited branch office; and
 4. Application for a mobile office each additional geographic location at which the mobile office will stop;

3:24-1.5 Application process; requirements

- (a) No applicant for a license shall commence operations until a license has been issued.
- (b) In addition to the information required to be furnished to the Department by [N.J.S.A. 17:15A-33](#) through 39, the applicant shall supply the following as part of its application for each director, substantial stockholder, officer, owner, partner, member, manager and employee of the business to be licensed:
1. A personal certification on a form supplied by the Commissioner;
 2. A two-inch by two-inch passport style photograph of the persons listed in (b) above;
 3. Fingerprints in the manner currently required by the New Jersey State Police or their authorized representative;
 4. Application fee(s) as required by [N.J.A.C. 3:24-1.4](#); and
 5. Any other information or supporting documentation relating to the operation of the proposed check cashing business which the Commissioner may require
- (c) Corporate applicants for a check cashing license shall submit a copy of the Certificate of Incorporation showing the filed or recording stamp of the New Jersey Department of Treasury, Division of Revenue, and shall identify the registered agent for service of process. Foreign corporations shall submit a New Jersey Certificate of Authority in addition to their corporate certificate. A limited liability company shall submit a filed copy of its operating agreement.
- (d) Individual or partnership applicants using a trade name shall submit a copy of the trade name as filed with the county clerk showing date of recording.
- (e) Corporations using alternate names shall file a copy of registration of such name, as recorded, as part of their applications, in addition to the documents listed in (c) above.
- (f) A new employee, hired after a license has issued, may begin work pending receipt by the Department of fingerprint results provided all other information is complete and satisfactory.
- (g) Applicants seeking approval of a branch, mobile office, change of address or for change of control must have their license in good standing to receive said additional approval.
- (h) Applicants seeking approval of change of address shall submit:
1. A physical description of the premises;
 2. Two interior and two exterior photos of the premises;
 3. A copy of the executed lease;
 4. Necessary permits, variances or other documentation sufficient to demonstrate that the facility is in compliance with all applicable State, county and municipal laws, ordinances and traffic regulations; and
 5. Proof of compliance with [N.J.S.A. 17:15A-41\(e\)](#) regarding the requirement that no office or mobile office shall be located within 2,500 feet of an existing office or mobile office.

(i) Applicants who file applications lacking any necessary information shall be notified by letter of the missing information and shall have one year from the date of the letter to submit the information or the application will be deemed withdrawn. If an application is so withdrawn, all application fees shall be retained by the Department and shall not be applied to any re-application.

(j) Changes in bank accounts and banking institution information supplied to the Department pursuant to [N.J.S.A. 17:15A-44\(f\) and \(g\)](#), information submitted as part of an application as set forth in (b) above or the New Jersey motor vehicle registration or other identification of a mobile office and the exact locations where any mobile office unit will be operated, shall be reported in writing to the Department within five business days of the change in the information or commencing operation at a new location.

3:24-2.1 Proof of net worth; records

(a) An applicant shall submit to the Department an unqualified, audited financial statement prepared by a Certified Public Accountant or a public accountant, in accordance with generally accepted accounting principles, sufficient to satisfy the capital and net worth requirements of [N.J.S.A. 17:15A-37](#). This statement shall reflect the financial status of the applicant as of a date not more than 12 months prior to the date of the application. The certified public accountant or public accountant issuing the statement shall be in good standing with their State Board of Accountancy or other appropriate regulatory agency.

(b) For each subsequent application, the applicant may use the initial unqualified, audited financial statement, provided that it is less than 12 months old and that it indicates that the applicant meets the higher net worth and liquid assets necessary for the additional offices sought to be approved.

(c) In the event the accountant does not maintain an office in New Jersey, the licensee's records may, at the option of the Department, be examined at the licensee's main office.

(d) Uncollected checks may not be carried on a financial statement more than 90 days after presentation.

3:24-3.1 Compliance with State and local law

The applicant shall supply necessary permits, variances or other documentation sufficient to demonstrate that the facility is in compliance with all applicable State, county and municipal laws, ordinances and traffic regulations.

3:24-4.1 Check cashing fees

(a) A licensed check casher shall be permitted to charge a fee for cashing a check drawn on a depository institution or other financial entity located in this or any other state, up to an amount as follows:

1. For cashing a check payable to a recipient of Temporary Assistance for Needy Families (TANF), one percent of the face amount of the check, or \$.90, whichever is greater;
2. 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. §§1381 et seq., one and one half percent of the face amount of the check, or \$.90, whichever is greater;
3. 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. §§401 et seq., one and one half percent of the face amount of the check, or \$.90, whichever is greater; and
4. For cashing any other check, 2.21 percent of the face amount of the check, or \$1.00, whichever is greater.

3:24-4.2 Posting of fees; signs

(a) The licensee shall post and at all times display in a conspicuous place on the premises the license and also the schedule of fees to be charged, which fees shall not exceed the maximums permitted pursuant to N.J.A.C. 3:24-4.1. The Department shall determine the number of signs which shall be posted and shall designate those areas in the check cashing facility where these signs will be displayed, depending upon the size of the office and its physical layout. These signs shall be in both the English language and Spanish language except where the Department deems it necessary that a different or additional language be used.

(b) Each sign shall be printed on heavy cardboard or other durable material, with printed information in a minimum of 22 point type with appropriate headings of at least 24 point bold type. These signs shall read as follows:

STATE LICENSED CHECK CASHIER MAXIMUM
AND MINIMUM FEES YOU CAN BE CHARGED
2.21% OF YOUR CHECK

Example:

| | |
|------------------|----------|
| New Jersey check | \$300.00 |
| Maximum fee | 6.63 |
| Cash to you | \$293.37 |

CHECKS PAYABLE TO PERSON UNDER AID TO
FAMILIES WITH DEPENDENT CHILDREN
(AFDC) 1% OF YOUR CHECK

Example:

| | |
|-------------|----------|
| AFDC check | \$300.00 |
| Maximum fee | 3.00 |
| Cash to you | \$297.00 |

SUPPLEMENTAL SECURITY INCOME CHECKS
(Sub XVI) 1 1/2 % OF YOUR CHECK

Example:

| | |
|-------------|----------|
| SSI check | \$300.00 |
| Maximum fee | 4.50 |
| Cash to you | \$295.50 |

SOCIAL SECURITY
OLD AGE AND SURVIVORS CHECKS
(Sub II) 1 1/2 % OF YOUR CHECK

Example:

| | |
|-------------|----------|
| SS check | \$300.00 |
| Maximum fee | 4.50 |
| Cash to you | \$295.50 |

3:24-4.3 Returned check fee; prohibition

(a) No licensee shall impose any charge or fee for a returned check on the customer who cashes the check.

(b) A licensee may charge a fee to the maker of the check, sufficient to reimburse the licensee for the charge imposed by the bank which returns the check unpaid.

3:24-5.1 Check cashing procedure

- (a) In addition to the requirements of N.J.S.A. 17:15A-44c, e and j, each licensee shall:
1. Pay to each customer tendering a check, draft or money order to be cashed, the entire face amount of the instrument in cash less any charges permitted by law, on the same date upon which the instrument is presented;
 2. Indicate on each check, draft or money order cashed at the time of cashing, the date on which the item was cashed; and
 3. Give each person presenting a check, draft or money order for cashing upon completion of each transaction an itemized receipt indicating the name of the check casher, the teller number indicating which teller completed the transaction, the amount of the check cashed, the amount of the fee charged to cash the check and the amount of cash given to the person cashing the check.

3:24-5.2 Recordkeeping

(a) In addition to the requirements of N.J.S.A. 17:15A-44(1), a Summary of Business Record shall be maintained in which the number of checks, drafts, or money orders cashed, their total face amount, and the aggregate fees received, shall be shown for each business day and totaled for each calendar month. If this information is included in a horizontal form of daily cash reconciliation, that record will be acceptable in lieu of a separate summary of business. The summary record shall consist of six categories:

1. All 2.21 percent checks cashed;
2. All one percent checks cashed, including TANF checks;
3. All one and one-half percent checks cashed including SSI and Social Security Old Age and Survivors checks;
4. All no-fee checks cashed;
5. All check cashing customer receipts; and
6. Any other checks cashed which do not fit into categories (a)1 through 5 above.

(b) A viewable photographic record of checks, drafts and money orders cashed, that sets forth all the information pertaining to said checks, drafts and money orders required by N.J.S.A. 17:15A-44d and 1 and (a) above, will be acceptable in lieu of the records required by this section.

1. In such event, the photographic film shall be processed promptly after each roll of film has been exposed, and the viewable records maintained by the licensee for at least three years after the date of the last photograph on the roll.
2. The licensee shall maintain a log indicating the beginning and ending business days covered by each individual roll of processed photographic records.

(c) Each licensee shall reconcile its bank statement at least monthly.

3:24-5.3 Return items record

(a) A return items record shall be maintained in which the following information shall be clearly recorded with respect to each check, draft or money order, returned unpaid:

1. The date on which each check, draft or money order was originally cashed by licensee;
2. The issuer of each check, draft or money order;
3. The date of each check, draft or money order returned unpaid;
4. The name of the drawer of each check, draft or money order returned unpaid;
5. The name of the payee or last endorser of each check, draft or money order;
6. The amount of each check, draft or money order returned unpaid;
7. The name of the bank on which each check, draft or money order is drawn;
8. The reason for which each check, draft or money order was returned unpaid;
9. The date on which each check, draft or money order was redeposited;
10. The date and manner of payment of each check, draft or money order, with complete details of the disposition made of it, including a record of the specific check, draft or money order utilized in the payment of the original item; and
11. A current record, updated (monthly), showing the efforts and progress being made to collect any unpaid checks, drafts, or money orders, including the receipt of partial payments.

3:24-5.4 Daily cash reconcilement

(a) A daily cash reconcilement shall be maintained which shall contain the following information:

1. Cash on hand at opening of business;
2. Checks, drafts or money orders cashed the previous day and on hand at opening of business;
3. Cash received during the day showing in detail the source of funds;
4. The total amount of fees received during the day;
5. The sum of items (a)1 through 4 above;
6. The total deposits made during the day;
7. Other cash paid out during the day showing in detail the nature of the disbursement;
8. The sum of items (a)6 and 7 above;

9. Item (a)5 less item (a)8 above, representing the cash on hand and the total of undeposited checks, drafts or money orders, cashed during the day;
10. The total of cash included in item (a)9 above; and
11. Cash on hand at close of business day with shortages or overages explained (disposition or resolution).

3:24-5.5 Deposits

(a) All checks, drafts and money orders shall be deposited no later than the next business day in a financial institution located in this State which has been identified to the Department or located outside this State, if the out-of-State financial institution is approved by the Commissioner as set forth in this section. Use of a bank's night deposit facility, if any, is permitted. In order for an out-of-State financial institution to qualify for approval by the Commissioner, it shall:

1. Be insured by the Federal Deposit Insurance Corporation;
2. Provide a letter from its primary regulator confirming that the financial institution is adequately capitalized and managed; and
3. Not make or facilitate, directly or indirectly, payday loans, title loans or refund anticipation loans through the check casher or otherwise in this State, and shall provide a certification to the Department to that effect.

(b) When the number of payroll checks cashed amount to 50 or more, the licensee may present such package of checks to the drawee bank or the maker of the checks and receive in exchange a single draft, provided full details of the transaction are recorded. Separate tapes of these transactions shall be maintained as set forth in [N.J.A.C. 3:24-5.2](#).

(c) All checks, drafts, money orders cashed on any one day and deposited on the same day or next business day shall be deposited under a separate deposit total and not commingled with any other day's business.

(d) A violation of this section shall occur if a licensee instead of depositing all checks, drafts and money orders as required:

1. Cashes all or any of them at another check casher;
2. Exchanges all or any of them for another check or checks; or
3. Negotiates all or any of them in any manner or for any purpose other than that provided in this section.

(e) If an out-of-State financial institution approved by the Commissioner fails to maintain the standards specified in (a) above or if the institution is placed under a supervisory order from its primary regulator or operates in a manner inconsistent with safe and sound financial practices, the Commissioner may take such action as he or she deems appropriate and necessary to protect the licensee and the public. The action may include revoking the approval conferred by the Commissioner on the institution pursuant to (a) above and requiring any check casher utilizing that institution to submit and comply with a plan for moving its business account(s) to a different institution within a short timeframe established by the Department. If a check casher utilizing such an institution fails to supply such a plan or fails to comply with a plan submitted, the Department may suspend, revoke or refuse to renew the license of the check casher pursuant to [N.J.S.A. 17:15A-48\(a\)1](#).

3:24-5.6 Dual business and deposit record requirements

(a) The checks, drafts, money orders or cash of any other business in which the licensee is engaged shall not be commingled with other funds in the licensee's bank account or with the cash or checks on hand.

1. A licensee may apply to the Commissioner in writing for an exception to the requirements set forth in (a) above which prohibits commingling of checks, drafts, money orders or cash of any other business conducted by the licensee on the same premises, with the cash or checks on hand. The Commissioner shall grant an exception based on the following criteria and conditions:

- i. The licensee shall continue to maintain a separate bank account for the check cashing business as required by N.J.S.A. 17:15A-44f and N.J.A.C. 3:24-5.6(a);
- ii. The licensee shall provide the Department with complete access to all check cashing records, as well as the records of all other businesses, funds of which are commingled with funds of the check cashing business, conducted by the licensee at the licensed location(s) and/or at the approved limited station branch(es);
- iii. The licensee shall maintain and utilize a separate payment bank account for transfers of funds and/or payment of funds related to other businesses;
- iv. The licensee shall fill out Department Form No. 001-95 on a daily basis for each licensed location and for each limited station branch. Form No. 001-95 shall provide financial accounting deemed sufficient to track the flow of funds and to reconcile cash balances of all activities which result in use of the check cashing drawer for funds. These forms shall be maintained on file for a period of two years; and
- v. The check cashing register tape of all activity (including, but not limited to, checks cashed and money order activity) shall be available with Form No. 001-95.

(b) Separate records shall be kept for a check cashing business conducted on the same premises where another business is also operated. In such cases the licensee shall apportion to the check cashing business its share of expense. Reasonable estimates may be used.

3:24-5.7 Prohibitions

(a) In addition to the prohibitions contained in [N.J.S.A. 17:15A-30](#) et seq., no licensee or person acting on behalf of a licensee shall:

1. Cash a check made payable to "cash";
2. Cash a check using any form of consideration other than cash; or
3. Cash a check for anyone other than the payee named on the face of the check, except where the presenter of the check to be cashed has obtained a written, notarized authorization from a disabled payee specifically requesting the presenter to cash the check.

3:24-6.1 Annual report

Each check cashing licensee shall file an annual report as mandated by [N.J.S.A. 17:15A-45](#). In accordance with [N.J.A.C. 3:1-7.6](#), the Department shall assess a penalty against a licensee for each report the licensee files late.

3:24-6.2 Additional reports

(a) In any case in which the Commissioner finds that reasonable grounds exist for requiring additional recordkeeping and reporting, the Commissioner may issue an order requiring any licensee or 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.

(b) A licensee shall maintain in its files for five years a copy of any Currency Transaction Report it is required to file with the New Jersey Attorney General's office and the Federal government.