

Protecting Working Families

Building and Sustaining Wealth

Mississippi Economic Policy Center

October 23, 2009

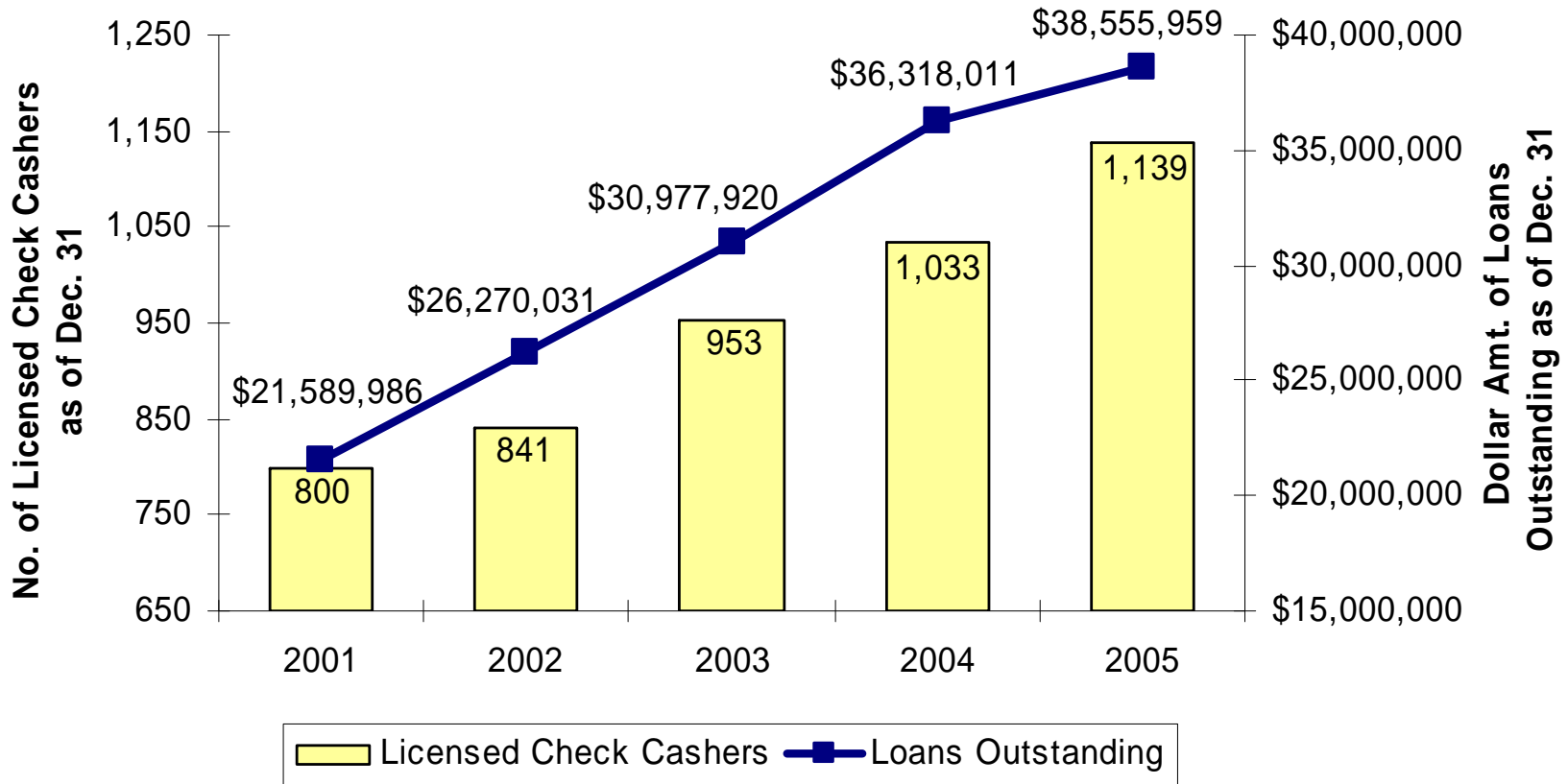
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Mississippi Check Cashers Act

- Licensed Check Cashers can:
 - Cash Checks
 - Conduct “Delayed deposit” transactions
- Delayed deposit transactions (payday loans)
 - Maximum check is \$400 (loan + fees)
 - Maximum fee is 18% of face amt of check
 - = 21.95% of loan = 572% Annual Percentage Rate
 - Maximum term is 30 days
 - Payday Lending customers have checking accounts and jobs

Historical Growth of Check Cashing in Mississippi



Source: Mississippi Department of Banking and Consumer Finance, April 18, 2007

Mississippi Check Cashing

- According to a 2004 report by Stephens, Inc., MS has the highest concentration of payday lenders in the nation.
- 1,019 Licensed Check Cashers in MS (1/17/09)
= 1 Check Casher for every 1023 households

Number of Check Cashers by Zip Code

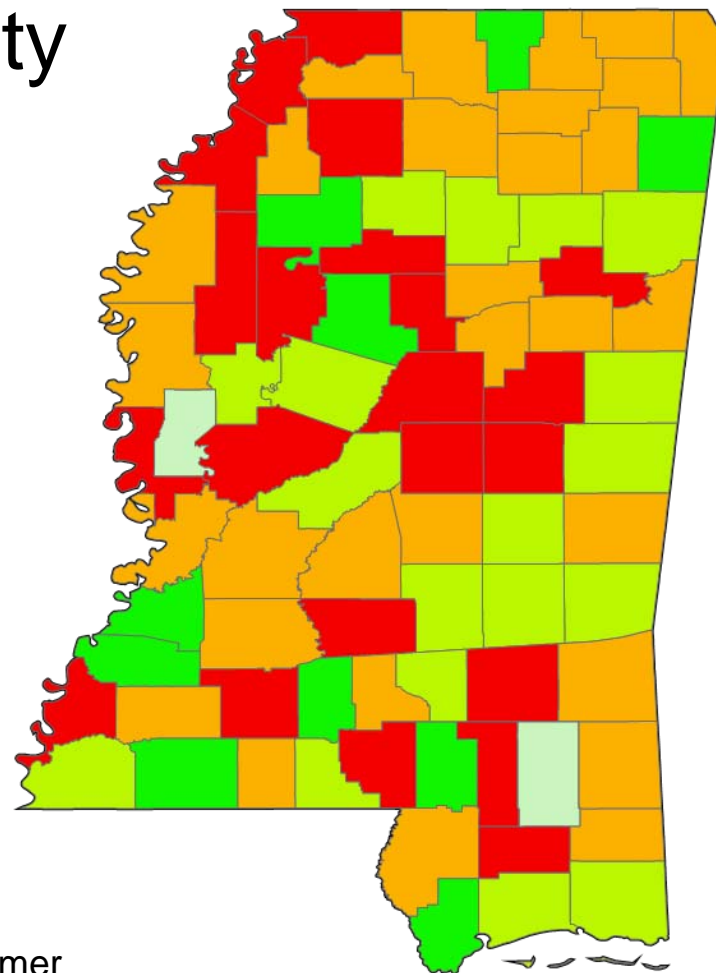
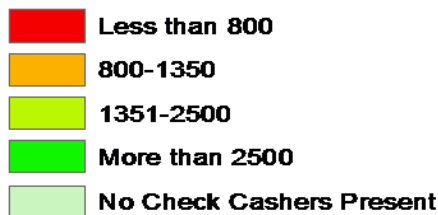
Ranking	City	Zip Code	# of Check Cashers
1	Laurel	39440	27
2	Hattiesburg	39401	25
3	Tupelo	38801	22
3	Pearl	39208	22
5	Meridian	39301	21
6	Greenwood	38930	19
7	Jackson	39204	18
8	Batesville	38606	17
8	Southaven	38671	17
8	Greenville	38701	17
8	Natchez	39120	17
8	Hattiesburg	39402	17
8	Brookhaven	39601	17



Concentration of Check Cashers by County

Legend

Check Casher Concentration per Household

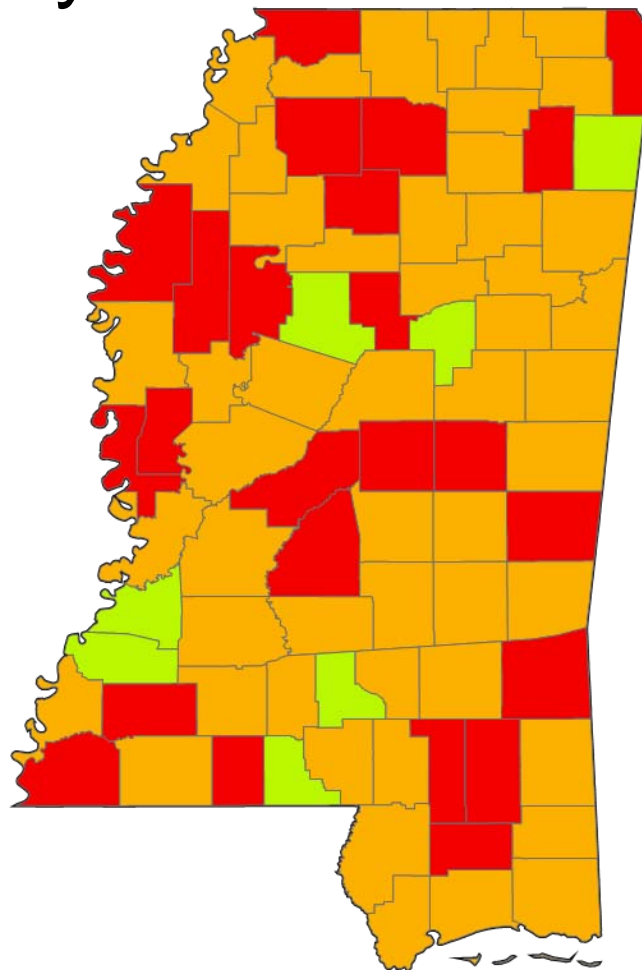


Source: Mississippi Department of Banking and Consumer
Finance; U.S. Census; MEPC Analysis.



Concentration of FDIC Banks by County

Legend Number of Households for Every FDIC Bank by County

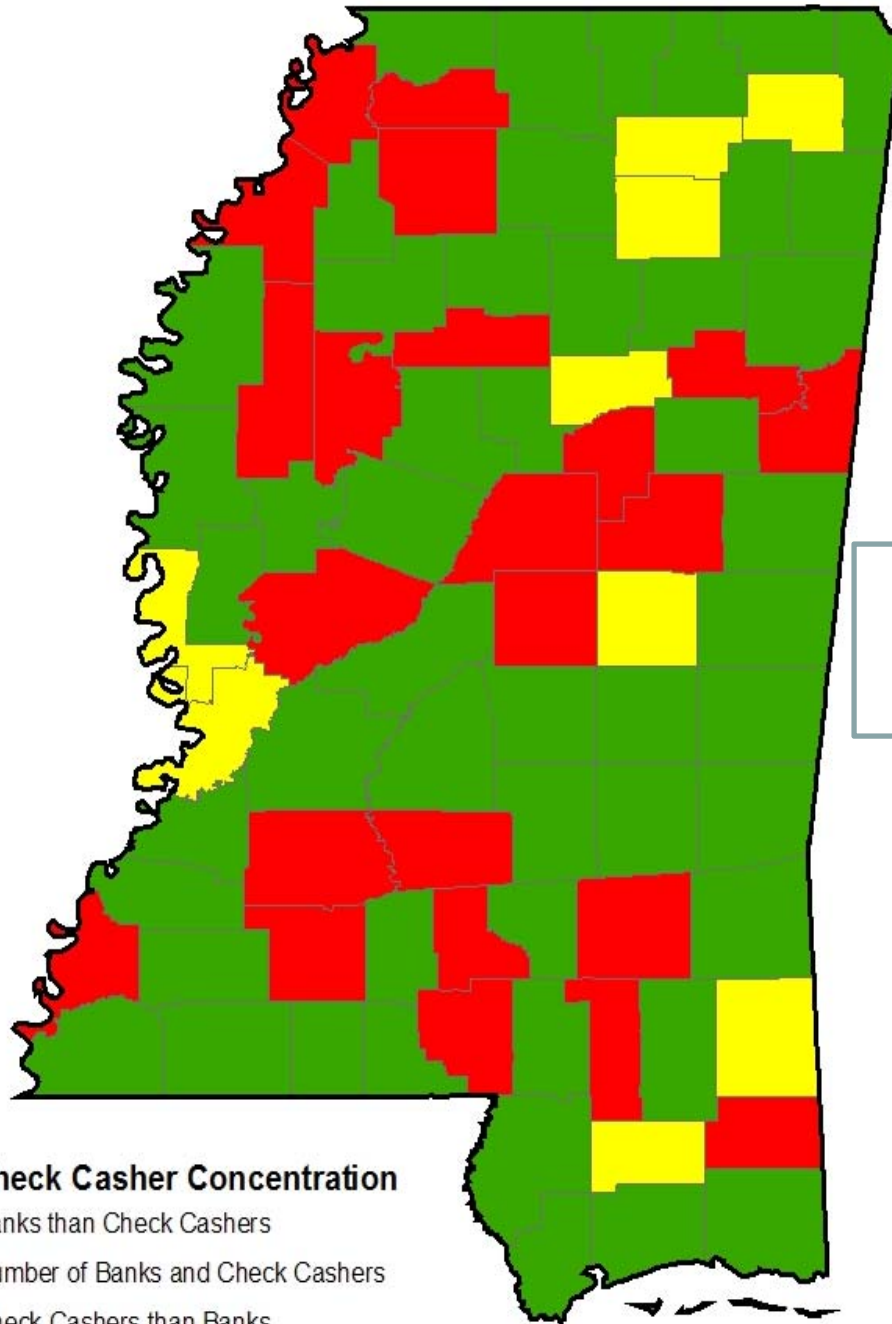


Source: FDIC; MEPC Analysis.



Banks vs Check Cashers

- 23 Mississippi Counties have more Check Cashers than FDIC regulated Banks
- 9 Mississippi Counties have an equal number of Check Cashers and FDIC regulated Banks



Bank vs. Check Casher Concentration

- More Banks than Check Cashers
- Even Number of Banks and Check Cashers
- More Check Cashers than Banks

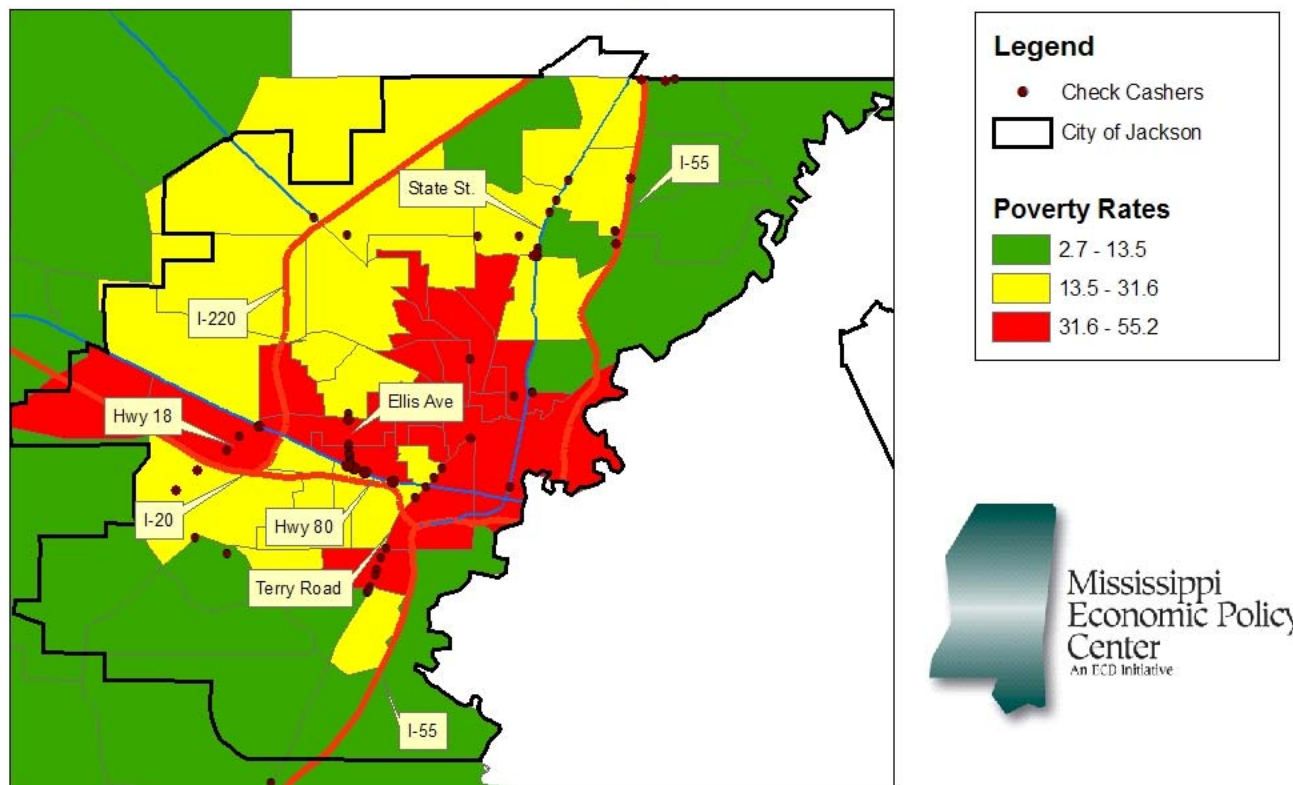
Banks vs. Check Cashers

Source: Mississippi Department of Banking and Consumer Finance; FDIC; MEPC Analysis



Jackson, MS Check Cashing Stores

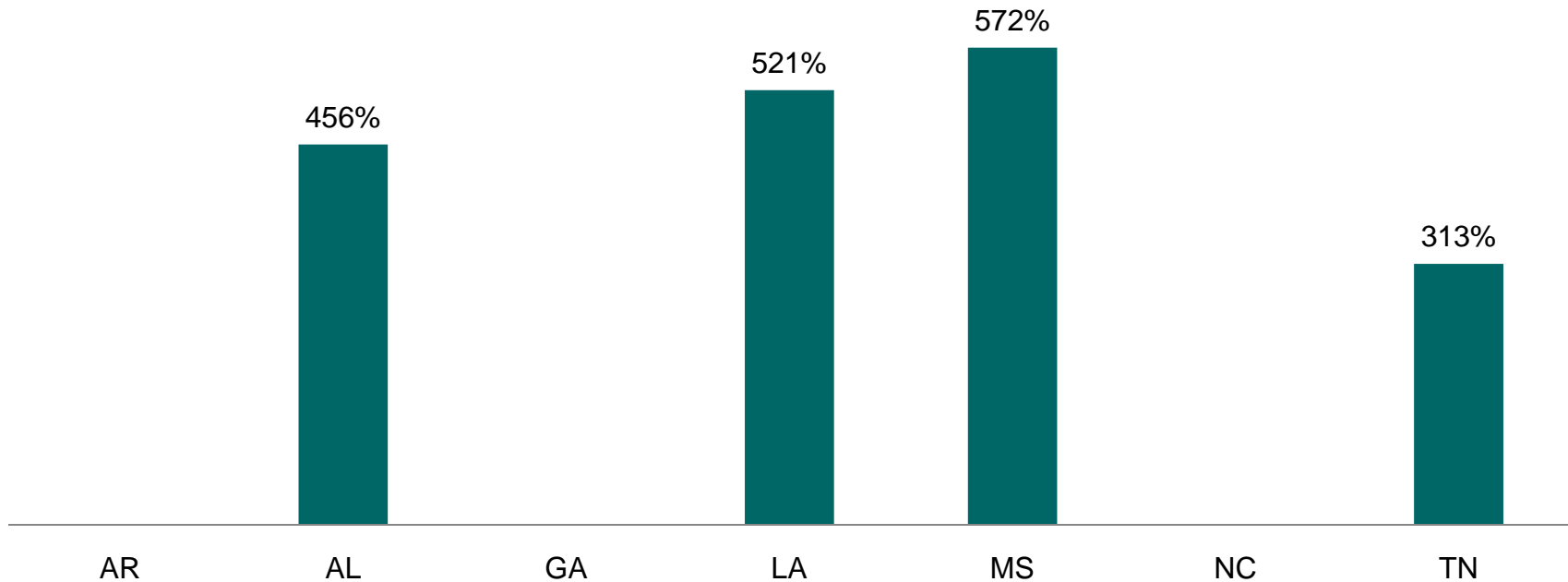
Check Cashers by Address Jackson, Mississippi



Source: Mississippi Department of Banking and Consumer Finance accessed 1/16/2009; U.S. Census Bureau 2000; MEPC analysis.

N=59

Payday Lending APR by State



* Payday Lending is not actively occurring in AR, GA or NC

Solutions

- Legislation
 - 36% APR cap on all small loan products
 - 15 States and the District of Columbia prohibit high cost Payday Lending
 - University of North Carolina study shows that ending payday lending in North Carolina did not have a significant impact on credit availability for working families.*

*University of North Carolina Center for Community Capital



Solutions

- **Municipal Moratoriums**
 - Jackson
 - Pearl
 - Ridgeland
- **Counseling**
 - Congressional Bill
 - Senator Thad Cochran co-sponsored legislation to fund financial literacy education beginning in grade school through adulthood.
 - Community Outreach
- **Payday Lending Alternatives**
 - BankPlus
 - Hope Community Credit Union

Contact Us

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