

## **HB 2356 STAFF MEASURE SUMMARY**

### **House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 2/8, 3/10

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#### **WHAT THE MEASURE DOES:**

Prohibits a state-chartered bank and credit union from charging a fee to cash a check that is drawn on an account at the bank or credit union as long as the check is presented in Oregon.

No fiscal impact; no revenue impact

#### **ISSUES DISCUSSED:**

- Whether financial institution incurs a cost to cash checks drawn on their institution
- Impact of relatively low fee on low-income individuals

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Banks and credit unions can have a federal or state charter. Those financial institutions that choose to be state-chartered are subject to Oregon laws and are regulated by the Department of Consumer and Business Services (DCBS). Roughly 3.8 percent of Oregon households in 2019 were "unbanked," meaning no one in the household had a checking or savings account at a bank or credit union. (Source: 2019 FDIC Survey of Household Use of Banking and Financial Services.) The most commonly reason given for being unbanked is not having enough money to meet minimum balance requirements.

Businesses may offer checking cashing services for a fee if they hold a license from DCBS to do so. Fees charged by licensed check cashers are capped at 10 percent for non-government issued checks; and the total fee is capped at \$100. A business may cash a check without a license if they charge no more than \$2.

House Bill 2356 prohibits state regulated banks and credit unions from charging a fee to cash a check that is drawn on an account at the bank or credit union, as long as the check is presented in Oregon.