

**STATE OF LOUISIANA  
OFFICE OF FINANCIAL INSTITUTIONS**

**ADVISORY OPINION NO. 4**

Interpretation of Chapter 12, Currency Exchange Services, of Title 6, section 1009, entitled Regulation of Fees, unreasonable fees; display of fees, Subparagraph (A), (1).

In the course of its disaster recovery efforts, the Federal Emergency Management Agency or FEMA, a division of the US Department of Homeland Security, has or will provide disaster assistance funds to victims of Hurricane Katrina and/or Hurricane Rita in the form of checks drawn on the U.S. Treasury. The payees of these checks may present these items to persons or entities licensed under the Louisiana Check Cashing Law (La. R.S. 6:1001, et seq.).

Pursuant to La. R.S. 6:1009(A)(1), persons or entities licensed or regulated under Chapter 12, may not directly or indirectly charge or collect a fee for cashing checks issued or drawn upon the account of a public welfare or public assistance agency of the United States, the State of Louisiana or any political subdivision of the state, in excess of two percent of the total amount of the check presented, or five dollars, whichever is greater. Only duly licensed entities or persons may, for compensation, engage in the business of cashing checks, drafts, money orders, or other commercial paper serving the same purpose in Louisiana.

It is the opinion of this office that the term “public welfare, or public assistance agency of the United States “ includes FEMA, when FEMA issues checks to provide direct financial assistance to persons or entities FEMA has identified as victims of a recent disaster, in this case, Hurricanes Katrina and/or Rita.

Therefore, as provided in La. R.S. 6:1009(a)(1), the maximum amount person or entities subject to the Louisiana Check Cashing Law may charge as a fee or consideration to cash disaster assistance checks issued by FEMA, is two percent of the total amount of the check presented, or five dollars, whichever is greater.

This interpretation of the application of La. R.S. 6:1009(A)(1), is issued pursuant to the provisions of La. R.S. 6:121(A), and 121.3 of the Louisiana banking code.

Issued this 18<sup>th</sup> day of October, 2005.



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John Ducrest, Commissioner  
Louisiana Office of Financial Institutions