



CONNECTICUT BANKERS ASSOCIATION

February 25, 2010

TO: BANKS COMMITTEE

FROM: CONNECTICUT BANKERS ASSOCIATION
CONTACTS: TOM MONGELLOW, FRITZ CONWAY

RE: SENATE BILL 56, AN ACT CONCERNING CERTAIN BANK FEES.

POSITION: OPPOSE

Senate Bill 56 would raise the amount of an “on-us-check” that a bank has to cash when a non-customer presents it. An on-us-check is one that is presented to the bank where the account it was drawn on resides. The existing requirement is five hundred dollars and the bill proposes to raise it to fifty thousand dollars. In addition, the bill would eliminate the ability of a bank to charge a transaction fee to the non-customer cashing the check.

We strongly oppose the both concepts due primarily to concerns over check fraud. When this statute was passed, the industry worked with the legislature to come up with a workable and framework and amount that would allow for on-us-checks to be cashed, and yet still protect customers from individuals perpetrating various check frauds.

To increase the amount of a check that has to be cashed on a customer’s account, will only encourage more check fraud to occur and put customer’s deposits at risk.

We urge your opposition to this bill.