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LETTERS TO THE EDITOR

Why Many People Use Payday Loan Services Instead of Using Banks

For more than 70 years, the Financial Service Centers (FSC) industry, now numbering more than 13,000 locations, has been providing millions of low- and moderate-income consumers with the financial services they need—check cashing, bill payments, money remittances, prepaid debit and phone cards, and small dollar, short-term loans—many of which are not readily available at banks. We even have expanded those financial opportunities with products that are virtual bank accounts, including savings.

The Financial Service Centers of America (FiSCA), the national trade association representing the FSC industry, has introduced three key programs.

National Savings Program: This program offers a no-fee, interest-bearing, federally-insured savings account linked to a prepaid debit card.

Credit Building Initiative: This enables consumers and small businesses to build a credit file and score, based on their history of rent, utility, phone, and other recurring bill payments that demonstrate creditworthiness, which helps secure access to credit.

Financial Education Program: FiSCA's financial education program will directly target low- and moderate-income consumers, educating them on the products and services available to them.

HANK SHYNE
Executive Director
FiSCA
Hackensack, N.J.