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4/4/99

Dear Fiscal Assistant Secretary,

I am writing of behalf of myself + my clients to urge the Treasury to prohibit check cashing companies + other "payment service providers" from providing recipients access to electronic federal benefits, as part of EFT '99. (Electronics Fund Transfer).

I am a counselor working primarily with people with AIDS, who receive SSI + other federal benefit checks. These check cashing companies exploit my clients by charging exorbitant fees to cash their checks, which they are too poor to afford. The Treasury Dept began EFT'99 with the stated goal of bringing poor people into the mainstream financial world + giving them access to financial services, + protect them against theft of their checks by electronically transferring funds. In addition, electronic fund transfer saves millions of dollars in labor + mailing costs. However, allowing check cashing companies to take on this job allows poor people to be further victimized, while providing none of the benefits to consumers that a bank account would provide. Allowing check cashing companies access to federal funds only condones + encourages these companies' abusive behaviors + exploitative fee policies. Instead, the Treasury should force

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banks to provide checking accounts to low-income clients, + to end banking discrimination which prevents low-income people from having access to banking services

Sincerely,

Kathy Labriola

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