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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
ANDREW S. LEVIN, ACTING DIRECTOR

KEN ROSS
COMMISSIONER

Date: October 15, 2010

CLARIFICATION OF: New Deferred Presentment Transaction Fee Collection Practice for Licensing Year 2010/2011

On July 30, 2010, all Deferred Presentment Service Transaction Licensees were issued correspondence from the Office of Financial and Insurance Regulation addressing the new deferred presentment transaction fee collection practice for licensing year 2010/2011. Our office has received numerous communications from licensees seeking clarification of this new practice. In an effort to help alleviate any misunderstandings we are providing further clarification.

Licensees are still required to pay the \$0.45 Veritec (Veritec Solutions, LLC) database service fee which can be passed on to the consumer. An additional \$0.40 per transaction fee that **cannot** be passed on to the consumer will also be collected by Veritec on behalf of the Commissioner/State of Michigan. Some licensees were under the impression that the Veritec database service fee was being lowered from \$0.45 to \$0.40; however, this is not the case.

Recap:

- The Veritec database fee of \$0.45 per transaction remains in effect for the licensing year 2010/2011.
- Beginning with the October 1, 2010 licensing year, which will end September 30, 2011, the Commissioner through Veritec will collect the new \$0.40 per transaction fee for each licensee's deferred presentment transactions on a monthly basis.
- This fee will be invoiced and collected by Veritec.
- Licensees **may not** separately charge consumers for the \$0.40 transaction fee.
- This fee will show up on the November 5, 2010 invoice from Veritec for transactions that began on October 1, 2010.
- In August 2011, licensees will be charged a uniform base fee to renew.
- Please be advised that the Commissioner will re-evaluate the fees in 2011 for the next licensing year.

Licensees are required to pay all invoices in an appropriate manner. Failure to do so is a violation of the Deferred Presentment Service Transactions Act.

If there is a question regarding the enclosed information, please contact this office at a number listed in the letter foot. Ask or leave a message for the Consumer Finance Licensing Unit.

Sincerely,

Mark W. Weigold, Director
Consumer Finance Section

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