

1 [Resolution Urging the Passing of Assembly Bill No. 714]

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3 **Resolution urging the California State Senate to pass Assembly Bill No. 714.**
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6 WHEREAS, According to the 2000 census, there is a large and growing number of
7 foreign-born individuals residing in San Francisco; and,

8 WHEREAS, 285,541 San Francisco residents were born outside the United States
9 (approximately 36.8% of the population), representing a percentage significantly higher than
10 the State average; and,

11 WHEREAS, A great proportion of this population utilizes money transmitter companies,
12 such as Western Union or MoneyGram, to “wire” money back to their country of origin; and,

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14 WHEREAS, According to the California Department of Financial Institutions, there are
15 at least 52 licensed money transmitter companies (including Western Union and MoneyGram)
16 with about 12,000 retail outlets in California and more than half of these companies operate in
17 San Francisco; and,

18 WHEREAS, In 1999, there were approximately 8.7 million money transmission
19 transactions that originated in California totaling over \$3.1 billion; and,

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21 WHEREAS, With an increase in both competition among money transmitter companies
22 and the number of individuals needing their services, the lack of full disclosure to money
23 transmission customers grows; and

24 WHEREAS, Some money transmitter companies advertise misleading prices for their
25 services to unsuspecting customers; and

1 WHEREAS, Consumers may purchase money transfer services without knowledge of
2 hidden charges involving commissions and fees for transferring funds; and

3 WHEREAS, Consumers contend that fees charged to them are often exorbitant and
4 concealed or abstruse due to improper disclosure from these money transmitters; and

5 WHEREAS, Money transmitters are currently able to recover revenue on the difference
6 between the exchange rate given to customers and the exchange rate that they receive; and

7 WHEREAS, Assembly Bill No. 714 was passed by the California State Assembly on
8 May 24, 2002 and is awaiting passage in the State Senate; and,

9 WHEREAS, Assembly Bill No. 714 is a consumer protection bill to ensure that people
10 are receiving accurate, updated information about money transfer transactions; and

11 WHEREAS, Assembly Bill No. 714 would require that money transmitter companies
12 post the exchange rates and fees for certain currencies and transmission services in English
13 and other languages predominantly spoken by customers in their place of business; and,

14 WHEREAS, Assembly Bill 714 would enable customers of money transmitter
15 companies to ask for a refund if they find a less expensive transaction rate at a competing
16 business; and,

17 WHEREAS, Assembly Bill 714 would also require money transmitter companies to
18 report quarterly to the Department of Financial Institutions and would regulate their exchange
19 rate practices; now, therefore be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 urges the California State Senate to pass Assembly Bill No. 714.
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