

EXHIBIT 7
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HB 494

MONTANA FINANCIAL SERVICE

CENTERS ASSOCIATION

FACTS ABOUT

DEFERRED DEPOSIT

What is a Payday Advance?

A payday advance allows a customer to get a small amount of cash for a short time period against his or her next paycheck. A customer with an active checking account and a job (or regular income) simply:

- * Is given a pamphlet describing what a Deferred Deposit is and the associated cost,
- * Reads and signs an agreement that discloses transaction terms,
- * Writes a personal check for the advance amount plus a fee, and
- * Immediately receives cash in the value of the check less the fee.

The customer's check is held for an agreed upon time period, usually two weeks. At the end of that time, either the check is deposited or the customer returns with cash to reclaim the check. The Montana Financial Service Centers Association encouraged legislation in the 1999 session that would prohibit Deferred Deposit checks to be extended or "rolled over".

What is The Montana Financial Service Centers Association?

MFSCA is a statewide organization that works in conjunction with The Financial Service Centers of America, our national trade organization, representing over 100 locations in Montana and over 5000 locations nationally. Our organization works at the local, state and national levels to promote laws and regulations that balance the legitimate interests of a vibrant and growing industry with substantive consumer protections.

MFSCA works on behalf of members to support and encourage responsible industry practices such as:

- * Full disclosure of transaction terms
- * Compliance with state and federal regulations
- * Truthful advertising
- * Encouraging responsible use of the service
- * Limiting/prohibiting rollovers
- * Appropriate collection practices
- * No criminal action against customers
- * Enforcement of Best Practices
- * Supporting balanced legislation

Why do Consumers Choose Deferred Deposit?

- * To cover unexpected expenses, like car repair or household emergency
- * To bridge a short term cash need between paydays
- * To avoid bounced check fees, late payment penalties or other fees
- * Traditional financial institutions are not meeting this customer's needs
- * Payday advance offers a convenient, less costly solution to consumers

Who is the Deferred Deposit Customer?

The customer demographics are broad and varied. The typical Deferred Deposit customer is a responsible, hard working, middle class American. Below is customer data for nearly 500 branches during the 12 month period ending June 1999.

- * Average age is 35.6 years
- * Average annual household income is \$33,187
- * Average time in current residence is 4.5 years
- * Average time in current employment is 4 years
- * 32.8 percent own their own homes
- * All have a job (or regular income) and an active checking account

A Deferred Deposit Can Help Consumers Avoid More Costly Penalties			
	Deferred Deposit	Bounced Check	Credit Card Late Payment
Bank NSF Fee	\$0	\$25	\$0
Typical retail bad check fee	\$0	\$30	\$0
Average Deferred Deposit fee	\$15	\$0	\$0
Late Fee	\$0	\$0	\$30
TOTAL FEES	\$15	\$55	\$30
Original Amount	\$100	\$100	\$100
TOTAL COST	\$115	\$155	\$130

APR Comparisons of Transactions With Fixed Fees		
Transaction	Fee	APR
14 Day Term		
\$100 Deferred Deposit	\$15	391.07 %
Late fee on \$100 credit card balance	\$30	782 %
\$100 check returned for insufficient funds	\$25 NSF + \$30 Merchant	1,433.93 %
1 Day Term		
\$100 ATM Withdrawal	\$1.50	547 %