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I recently joined Mojave Desert Bank, Mojave, CA after having spent 25 years as a senior lender at Antelope Valley Bank, Lancaster, CA, (AVB). During the last approximately 4 years, AVB was actually part of California Bank & Trust, (CB&T).

While AVB was a locally owned community bank, we had nearly 20 check cashing businesses as clients. In all the years of servicing that industry, the bank never took a financial loss on any of those businesses. After the merger with CB&T and the advent of the BSA regulations, CB&T took the easy way to compliance by basically setting such stringent requirements that it became nearly impossible for the customers to fulfill them to a satisfactory level. Accordingly, a number of potential new customers were turned away and those that remain live in constant fear of having their accounts be closed.

Most of these businesses are some combination of convenience stores, liquor stores and gas stations and a fairly large portion of their total sales depend on the ability to cash checks for the large "un-banked" segment of the population who also purchase other merchandise from them.

These businesses are anxiously awaiting the planned opening of MDB's Lancaster branch, so that they at least have a sympathetic ear and the possibility to work with a bank willing to tackle complying with the onerous BSA requirements.

My recommendation is to install a good measure of common sense into the regulation so that it applies primarily to those businesses which deal in the largest volume of checks. A threshold of monthly or annual volume of checks cashed should be set at a reasonably high level, below which compliance with all or most of the regulation could be waived.

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