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Contact: Jennifer Tramontana  
Director of Communications  
303-929-9636  
[jennifer@nbpca.com](mailto:jennifer@nbpca.com)

***Network Branded Prepaid Card Association Releases  
Educational White Paper on the Application of  
State Abandoned Property Laws to Prepaid Cards***

**March 9, 2009 (Montvale, NJ)** – The Network Branded Prepaid Card Association (NBPCA), a non-profit trade organization that works to enhance the environment for the success of network branded prepaid cards, today released a White Paper entitled *Abandoned Property Laws and Network Branded Prepaid Cards: Questions and Concerns Raised When Trying to Fit Cards into the Existing Abandoned Property Legal Framework*.

Prepaid cards are innovative and beneficial products that have undergone significant growth in recent years. While the legal framework for these products has also undergone change and development, state abandoned property laws have not kept up.

“The majority of prepaid cardholders use all the funds on their cards shortly after obtaining the card,” said Judith Rinearson, NBPCA Government Relations Working Group Chair and White Paper lead author. “Nevertheless, there are unused funds remaining on some cards, and many states’ abandoned property laws are unclear or inconsistent in how they apply to today’s prepaid card products. This White Paper provides an educational roadmap for prepaid card businesses to help them understand their legal responsibilities, but especially the challenges in attempting to apply abandoned property laws - most of which did not anticipate prepaid card products or, at least, the variety of products now available-in today’s environment. We hope it will encourage a dialogue about the consequences for consumers and businesses related to the legal uncertainty of today’s abandoned property laws.”

“This White Paper represents collaboration broadly spanning the prepaid card industry. The NBPCA exists to help improve the overall business environment for network branded prepaid cards and that means a collective effort to help members succeed in their individual pursuits,” said Anil D. Aggarwal, NBPCA Founder and Chairman of the Board.

## **NBPCA Abandoned Property Laws White Paper Summary**

This White Paper recounts the history of state abandoned property laws and discusses how today's laws may impact gift cards and other prepaid card products. It then explains why the current laws do not adequately address the prepaid card market and explores the various difficulties that card issuers face in complying with such laws. Finally, the White Paper describes how the legal uncertainty creates compliance risks as well as potential negative consequences for consumers and businesses.

This White Paper outlines the following points:

- The background and history of abandoned property law
- Current state of escheat law
- Challenges applying abandoned property laws to prepaid cards:
  - Current laws do not contemplate prepaid cards
  - Current laws do not distinguish between network branded prepaid cash accessible cards, network branded cards usable for goods/services, and closed loop, retailer issued cards
  - Difficulty in deciding which state and how much to pay
  - Difficulty in knowing when property is truly abandoned
  - Anticompetitive consequences of abandoned property laws
  - Special issues raised by reward and incentive cards
  - Problems raised by the Third Priority Rule and "deemed address" provisions
- Penalties and risks of non-compliance

The entire paper can be found on the NBPCA website at [www.nbpca.com](http://www.nbpca.com)

### **About the NBPCA**

The Network Branded Prepaid Card Association (NBPCA) is a nonprofit, inter-industry trade association that supports the growth and success of network branded prepaid cards and represents the common interests of the many players in this new and rapidly growing payment category. The NBPCA's members include financial institutions, card organizations, processors, program managers, marketing and incentive companies, card distributors and law firms. The NBPCA's Working Groups drive the activities of the Association for its more than 35 members. For additional information, visit [www.NBPCA.com](http://www.NBPCA.com).