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NBPCA Statement Regarding Federal Reserve Board's Proposed Rules for Gift Cards

November 16, 2009 (Montvale, NJ) – Kirsten Trusko, President of the Network Branded Prepaid Card Association (NBPCA), released the following statement in response to the Federal Reserve Board's announcement of newly proposed rules related to gift cards:

"While we are still digesting the full impact of the Federal Reserve Board's newly proposed rules related to gift cards, our general feeling is that the Fed's proposal seems tough but fair and reasonable. In fact, much of what is being proposed related to expiration dates, clear and conspicuous disclosure of fees, restrictions on certain kinds of fees, etc., is already being done by many members of the industry. We look forward to working with the Board in the coming weeks to provide comments for improving on certain aspects of the proposed rules and resolving any unanswered questions they may have.

"The prepaid card industry's success rises and falls on consumer satisfaction. Indeed, independent research consistently shows that prepaid card consumers are overwhelmingly happy with the product and find the fee structure to be clear, transparent and fair (depending on the study, anywhere from 72-84% of consumers find the cards' pricing and fee structure to be fair and clear). We are always seeking ways to work with regulators to further enhance the consumer's experience as long as doing so does not limit access or convenient availability to the millions of Americans who want or need the product."

Background on Federal Reserve Board's Process

Earlier this year, Congress passed the Credit Card Accountability Responsibility and Disclosure Act of 2009. This bill dealt with a range of topics, including some changes to gift and prepaid cards. As part of that bill, the Federal Reserve Board was charged with developing implementation rules and regulations in alignment with the CARD Act. Monday, the Fed announced their proposed rules and invited public comment on them prior to finalization. Congress required that the rules be finalized within nine months of enactment (no later than February 22, 2010) and that the final rules must become effective no later than August 22, 2010.

About the NBPCA

The Network Branded Prepaid Card Association (NBPCA) is a non-profit, inter-industry trade association that supports the growth and success of network branded prepaid debit cards

and represents the common interests of the many players in this new and rapidly growing payments category. For additional information, visit www.NBPCA.org.

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