Notice of Proposed Rulemaking

PREPAID ACCESS

Published June 28, 2010

Comment Period ends August 27, 2010
The term “Prepaid Access” will replace the former term, “Stored Value”
Prepaid Access NPRM

The regulatory text follows this sequence:

1. Defining a Prepaid Program: An arrangement of 1 or more persons acting together to provide a particular form of prepaid access
2. Identifying 5 types of Programs not meeting our definitional test
   i. Pymts of benefits, incentives, wages, salaries
   ii. Pymts of govt benefits, e.g., child support, disaster relief
   iii. FSA reimbursements for health & dependent care expense
   iv. Limited dollar value [refer to next slide]
   v. Closed loop prepaid access
iv. Limited Dollar Value MUST be “clearly visible” on the face

To qualify, there are 3 mandatory characteristics:

i. Initial load at purchase cannot exceed $1,000

ii. No > $1,000 can be associated with the prepaid product at any one time

iii. No > $1,000 can be withdrawn on a single day
For the 5 types of non-covered programs, their programs must NOT permit:

• Funds or value to be transmitted internationally
  OR
• Transfers between or among users of a prepaid program (P2P)
  OR
• The ability to load monetary value from other non-depository sources [this restriction does not apply to Closed Loop Prepaid Access]
Prepaid Access NPRM

Defined Terms in the Proposed Rule

• Closed Loop Prepaid Access

• Provider of Prepaid Access

• Prepaid Program

• Seller of Prepaid Access

• Prepaid Access
Prepaid Access NPRM

Other Duties Defined in the Proposed Rule

• Provider and seller of prepaid access have SAR requirements
• Provider and seller of prepaid access have customer information recordkeeping requirements
• Provider of prepaid access has transactional recordkeeping requirements
• Provider of prepaid access has to register with FinCEN