

Notice of Proposed Rulemaking

PREPAID ACCESS

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**Comment Period ends
August 27, 2010**

Prepaid Access NPRM



The term “Prepaid Access” will replace the former term, “Stored Value”

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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

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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\$1,000 can be withdrawn on a single day

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**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]

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Defined Terms in the Proposed Rule

- Closed Loop Prepaid Access
- Provider of Prepaid Access
- Prepaid Program
- Seller of Prepaid Access
- Prepaid Access

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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