

WHAT YOU NEED TO KNOW: New Rules for Gift Cards

New Federal Reserve rules provide important protections when you purchase or use gift cards. Here are some key changes that apply to gift cards sold on or after August 22, 2010:

Covered by the new rules

- **Store gift cards**, which can be used only at a particular store or group of stores, such as a book store or clothing retailer.
- **Gift cards with a MasterCard, Visa, American Express, or Discover brand logo**. These cards generally can be used wherever the brand is accepted. (Not all cards with a brand logo are covered; see “Other prepaid cards” on reverse for exceptions.)

New protections

- **Limits on expiration dates**. The money on your gift card will be good for at least five years from the date the card is purchased. Any money that might be added to the card at a later date must also be good for at least five years.
- **Replacement cards**. If your gift card has an expiration date you still may be able to use unspent money that is left on the card after the card expires. For example, the card may expire in five years but the money may not expire for seven. If your card expires and there is unspent money, you can request a replacement card at no charge. Check your card to see if expiration dates apply.
- **Fees disclosed**. All fees must be clearly disclosed on the gift card or its packaging.
- **Limits on fees**. Gift card fees typically are subtracted from the money on the card. Under the new rules, many gift card fees are limited. Generally, fees can be charged if:
 - you haven't used your card for at least one year, and
 - you are only charged one fee per month.

These restrictions apply to fees such as:

- dormancy or inactivity fees for not using your card,
- fees for using your card (sometimes called usage fees),
- fees for adding money to your card, and
- maintenance fees.



Other resources...

Visit the Federal Reserve's website at www.federalreserve.gov/consumerinfo to get more information about

bank accounts and services
credit cards
identity theft
leasing
mortgages
personal finance
federal agency contacts



You can still be charged a fee to purchase the card and certain other fees, such as a fee to replace a lost or stolen card. Make sure you read the card disclosure carefully to know what fees your card may have.

Other prepaid cards

These new rules apply only to gift cards, which are just one type of prepaid card. The new rules do not cover other types of prepaid cards, such as:

- **Reloadable prepaid cards that are not intended for gift-giving purposes.** For example, a reloadable prepaid card with a MasterCard, Visa, American Express, or Discover brand logo that is intended to be used like a checking account substitute is not covered.
- **Cards that are given as a reward or as part of a promotion.** For example, a free \$15 gift card given to you by a store if you purchase merchandise or services of \$100 or more may have fees or an expiration date of one year rather than five years. **Regardless, you must be clearly informed of any expiration dates or fees for these cards.**