

It's All in the Cards

There was a time when the only cards in your wallet were a couple of credit cards and your driver's license.

Now you may find a Barnes and Noble gift card, a Blockbuster gift card, a health benefits debit card and a host of other "stored value cards." According to a report issued by the Federal Reserve Bank of New York, over \$72 billion stored value card transactions are expected by 2006.

While stored value cards may make the consumer's life easier and more efficient, you need to be aware of the features, fees, consumer protections and other conditions of the cards.

Gift Cards

While some may think giving a gift card to someone is taking the lazy way out, it allows the recipients to choose a gift they really want or need and may save them the trouble of taking a gift back to the store and waiting in the exchange line. But remember, different gift cards have different terms and conditions that both the purchaser and recipient should be aware.

- Make sure you know whether you pay a service or maintenance fee upfront or will the fee be deducted from the balance on the card?
- Is there a transaction fee or an inactivity fee?
- Is there a toll-free number to call for inquiries or problems with the card?
- Is there a replacement fee if the card is lost or stolen? Be sure to keep your receipt for the gift card and write down the card number in case the gift recipient needs to replace the card.
- Is there an expiration date on the card? If it expires, you may not be able to use the remaining balance and it would revert to the company who sold the card to you.
- Can you use the card at all locations?



Tips from
your
Community
Banker

Payroll Cards

Today, almost 60 percent of Americans receive their paychecks through direct deposit. However, many employees who do not have a traditional bank account cannot use direct deposit. Many companies are turning to payroll cards.

A payroll card allows the employee to access the funds from their payroll by using the card to make purchases or ATM withdrawals.

When using a payroll card, make sure you consider the following conditions:

- Is the payroll card issuer financially sound?
- Do you receive the same consumer protections with a payroll card as you would with a traditional bank account should your funds be stolen?
- Are there limitations on where you can use the card?
- Do you receive free ATM withdrawals and if not, how much is the fee?
- Can you receive information about the card, including customer service, in a primary language other than English?

As we move more and more to a technology-driven economy, use of stored value cards will become increasingly prevalent. Just be sure you know the terms and conditions before you start swiping your card.

*Provided as a public service by the
Pennsylvania Association
of Community Bankers.*