

Press Release

FEDERAL RESERVE press release



Release Date: November 16, 2009

For immediate release

The Federal Reserve Board on Monday announced proposed rules that would restrict the fees and expiration dates that may apply to gift cards. The rules would protect consumers from certain unexpected costs and would require that gift card terms and conditions be clearly stated.

The proposed rules would prohibit dormancy, inactivity, and service fees on gift cards unless: (1) there has been at least one year of inactivity on the certificate or card; (2) no more than one such fee is charged per month; and (3) the consumer is given clear and conspicuous disclosures about the fees. Expiration dates for funds underlying gift cards must be at least five years after the date of issuance, or five years after the date when funds were last loaded.

The Board's proposed rules generally cover retail gift cards, which can be used to buy goods or services at a single merchant or affiliated group of merchants, and network-branded gift cards, which are redeemable at any merchant that accepts the card brand.

The proposed rules are issued under Regulation E (Electronic Fund Transfers) to implement the gift card provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009.

The Board's notice is attached. Comments on the proposal must be submitted within 30 days after publication in the *Federal Register*, which is expected shortly.

[Federal Register notice \(308 KB PDF\)](#)

[Highlights document \(13 KB PDF\)](#)