

GOVERNMENT-ADMINISTERED, GENERAL-USE PREPAID CARD SURVEY

Issuer Survey



Survey Period:
Calendar Year ~~2016~~2017

General Instructions

About this Survey

The information requested is required by law [15 U.S.C. 1693o-2] to support an annual report to the Congress on the prevalence of the use of general-use prepaid cards in federal, state, or local government-administered payment programs, and the interchange fees and cardholder fees charged with respect to the use of such general-use prepaid cards.

Your Participation

To achieve the most reliable results, it is important that you respond completely and accurately. Please leave no survey item blank.

The online survey system contains links to two questionnaires, one for federal programs and a second for state/local programs. Respond to each questionnaire once by aggregating all programs falling under each respective jurisdiction. For the purposes of this survey, a program's jurisdiction is determined by the government agency that administers the program. For example, a program is considered state/local if it is administered by a state government agency even if the program is federally funded. Where applicable, this paper version of the survey highlights the differences between the federal and state/local questionnaires.

There are **three possible ways** to answer a numerical survey question:

Enter a Value: The actual numeric value of the data element.

Enter a Zero: When the calculated value equals zero. **Please do not enter a non-numeric value**, e.g. "NA" or "NR," when the value equals zero.

Enter "NR" (Not Reported): If your institution engages in the activity of the type being measured but you are unable to report a figure that reflects that activity. **Please do not enter "NA."**

If for any reason you cannot provide complete data or you have questions please contact Therese Ngini at 202-785-6008 or e-mail debit.card.surveys@frb.gov for assistance.

The survey will be made available online at <https://www.federalreserve.gov/debitcardsurveys>. Please complete the survey by April 17¹⁶, 2017²⁰¹⁸.

Response Confidentiality and Burden

The Federal Reserve Board regards the majority of individual organization information provided by each respondent as confidential (5 U.S.C. § 552(b)(4)). The Board, however, may publish aggregate or summary information in a way that does not reveal your individual organization's confidential information. If it should be determined subsequently that any information collected on this form must be released, the respondents will be notified.

Public reporting burden for this collection of information is estimated to be 25 hours per response, including the time to gather data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551 or via email to regs.comments@frb.gov; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0343), Washington, D.C. 20503. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Section I: Program Information

Enter totals related to government-administered, general-use prepaid cards (linked to U.S.-domiciled accounts) for which your institution was the issuer during calendar year ~~2016~~2017. Note clearly in Section I the name of each government-administered payment program included in your response, check all boxes that apply throughout the survey, and provide explanatory descriptions where appropriate.

Include: All general-use prepaid cards (linked to U.S.-domiciled accounts) issued under programs administered by a federal, state, or local government agency, except for the Supplemental Nutrition Assistance Program (SNAP). The Board will collect cumulative data for the SNAP program directly from the Department of Agriculture's Food and Nutrition Service. Examples of general-use prepaid cards issued under programs administered by a government agency include, but are not limited to, cards issued under federal benefit programs (such as Social Security (Old-Age, Survivors, and Disability Insurance), Supplemental Security Income (SSI), and Veterans Affairs programs), electronic benefit transfer programs (such as Temporary Assistance to Needy Families (TANF)), payroll programs, unemployment insurance programs, child support programs, reimbursement programs, disaster relief programs, and petty cash programs.

| | Number |
|---|--------|
| 1. Number of government-administered payment programs covered in this response. | |

| Number of programs by category | Number |
|--|--------|
| 2. Allocate "1. Number of government-administered payment program(s) covered in this response" between the following categories | 1: |
| F - Category will appear only in the federal version of the questionnaire SL - Category will appear only in the state/local version of the questionnaire B - Category will appear in both questionnaires | |
| <i>Q2 components should sum to Q1</i> | |
| 2a. Social Security (OASDI) ^F | |
| 2b. Supplemental Security Income (SSI) ^F | |
| 2c. Veterans ^F | |
| 2d. Unemployment ^{SL} | |
| 2e. Child Support ^{SL} (do not include child care benefit programs) | |
| 2f. TANF ^{SL} | |
| 2g. Section 8 Housing ^{SL} | |
| 2h. Payroll ^B | |
| 2i. Tax Refund ^B | |
| 2j. Prisons/Corrections ^B | |
| 2k. Other government program types ^B | |

2k.1. List other types of government programs included in 2k.

2I. Comments

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3. Government-administered payment programs covered in this response

| Name of program | Name of sponsoring government agency <i>Government agency administering the general-use prepaid card program</i> |
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Section II: Card Funding

Number

1. Government-administered, general-use prepaid cards outstanding as of December 31, ~~2016~~2017

Net funds loaded

Value (\$)

2. Net funds loaded onto government-administered, general-use prepaid cards in ~~2016~~2017 (exclude funds that were voided or returned to government agencies (or other funding entities))

3. Allocate "2. Net funds loaded onto government-administered, general-use prepaid cards in ~~2016~~2017" between the following categories:
3a - 3b = 2

2:

- 3a. Gross funds loaded in ~~2016~~2017

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- 3b. Funds that were voided or returned to government agencies (or other funding entities) in ~~2016~~2017

(-)

3c. Comments

Net funds loaded by source

Value (\$)

4. Allocate "2. Net funds loaded onto government-administered, general-use prepaid cards in ~~2016~~2017" between the following categories:

2:

F - Category will appear only in the federal version of the questionnaire
SL - Category will appear only in the state/local version of the questionnaire
B - Category will appear in both questionnaires

Q4a components and Q4b should sum to Q2

- 4a. Net funds loaded pursuant to government-administered payment programs:

4a.1. Social Security (OASDI) ^F

4a.2. Supplemental Security Income (SSI) ^F

4a.3. Veterans ^F

4a.4. Unemployment ^{SL}

4a.5. Child Support ^{SL} (do not include child care benefit programs)

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- 4a.6. TANF ^{SL}
- 4a.7. Section 8 Housing ^{SL}
- 4a.8. Payroll ^B
- 4a.9. Tax Refund ^B
- 4a.10. Prisons/Corrections ^B
- 4a.11. Other government program types ^B

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4b. Net funds loaded from all other sources
(not pursuant to government programs)

4b.1. Provide a description of all other sources of funding included in 4b.

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4c. Comments

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Funds outstanding

Value (\$)

5. Funds outstanding on government-administered, general-use prepaid cards as of December 31, ~~2016~~2017

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6. Average daily value of funds outstanding on government-administered, general-use prepaid cards in ~~2016~~2017

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This value is calculated by summing the aggregate value of daily balances for each day in the year and dividing by 365. Do not divide by the number of cards outstanding.

7. Comments regarding questions **5-6**

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Section III: Cash Withdrawals

| ATM cash withdrawals | Volume | Value (\$) |
|--|--------|------------|
| 1. Total ATM cash withdrawals in <u>20162017</u> | | |
| 2. Allocate "1. Total ATM cash withdrawals in <u>20162017</u> " between the following categories: $2a + 2b = 1$ | 1: | 1: |
| 2a. ATM cash withdrawals in <u>20162017</u> at proprietary (in-network) ATMs | | |
| 2b. ATM cash withdrawals in <u>20162017</u> at nonproprietary (out-of-network) ATMs | | |
| 2c. Comments | | |

| | Dollars (\$) |
|---|--------------|
| 3. Total ATM fees assessed to cardholders for cash withdrawals in <u>20162017</u> by ATM operators of nonproprietary (out-of-network) ATMs | |
| 3a. Amount reimbursed to cardholders by the issuer for ATM fees assessed to cardholders for cash withdrawals by ATM operators of nonproprietary (out-of-network) ATMs | |

| Over-the-counter at-bank (teller) cash withdrawals | Volume | Value (\$) |
|---|--------|------------|
| 4. Total over-the-counter at-bank (teller) cash withdrawals in <u>20162017</u> | | |
| 5. Allocate "4. Total over-the-counter at-bank (teller) in <u>20162017</u> " between the following categories: $5a + 5b = 4$ | 4: | 4: |
| 5a. Over-the-counter at-bank (teller) cash withdrawals in <u>20162017</u> at the issuer's bank branches | | |

5b. Over-the-counter at-bank cash withdrawals in ~~2016~~2017 at third-party bank branches

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5c. Comments

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Dollars (\$)

6. Total over-the-counter at-bank (teller) fees assessed to cardholders for cash withdrawals in ~~2016~~2017 by third party banks

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6a. Amount reimbursed to cardholders by the issuer for over-the-counter at-bank (teller) fees assessed to cardholders for cash withdrawals by third party banks

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Section IV: Purchase Transactions

| | Volume | Value (\$) Include cash back amounts |
|---|--------|---|
| 1. All settled purchase transactions in <u>20162017</u> (excluding pre-authorizations, denials, adjustments, and returns) | | |

| | Volume | | Value (\$) |
|---|--------|--------------------------|------------|
| 1a. Settled purchase transactions that included cash back in <u>20162017</u> | | Total amount | |
| 1a.1 Allocate "Total amount" between the following categories: Total amount = purchase amount + cash back amount | | 1a.1.1. Purchase amount | |
| | | 1a.1.2. Cash back amount | |

1b. Comments

Exempt vs. non-exempt transactions

| | Volume | Value (\$) |
|---|--------|------------|
| 2. Allocate "1. All settled purchase transactions in <u>20162017</u> " between the following categories: $2a + 2b = 1$ | 1: | 1: |
| 2a. Settled purchase transactions exempt from the interchange fee standards | | |
| 2b. Settled purchase transactions not exempt from the interchange fee standards | | |

2c. Comments

Section V: Fees Paid by Issuers

Dollars (\$)

1. Fees paid (by the issuer) on ATM cash withdrawals to ATM owners/operators in ~~2016~~2017
2. Fees paid (by the issuer) on over-the-counter at-bank (teller) cash withdrawals to third party banks in ~~2016~~2017
3. Other fees paid (by the issuer) on cash withdrawals in ~~2016~~2017

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3.1. List the types of other fees paid on cash withdrawals included in 3.

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Section VI: Issuer Revenue: Interchange Fees

Dollars (\$)

1. Total interchange fee revenue received on settled purchase transactions in ~~2016~~2017 (net of interchange fees reimbursed to acquirers as a result of chargebacks or returns)

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Do not exclude interchange fee revenue ultimately disbursed to a program manager or other third party.

Revenue from exempt vs. non-exempt transactions

Dollars (\$)

2. Allocate "1. Total interchange fee revenue received in ~~2016~~2017" between the following categories:

$2a + 2b = 1$

- 2a. Interchange fee revenue received on settled purchase transactions exempt from the interchange fee standards.
- 2b. Interchange fee revenue received on settled purchase transactions not exempt from the interchange fee standards.

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2c. Comments

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Section VII: Issuer Revenue: Cardholder Fees

| 1. All fees assessed to cardholders in <u>2016</u> <u>2017</u> <i>Do not exclude cardholder fee revenue ultimately disbursed to a program manager or other third party.</i> | Total Revenue Dollars (\$) | Number of times fees were assessed Do not include instances where fees were waived or for some other reason not assessed | Number of programs in which fee is subject to government-imposed restrictions | Provide a description of government-imposed restrictions on fees |
|--|----------------------------|---|---|--|
| 2. Allocate "1. All fees assessed to cardholders in <u>2016</u> <u>2017</u> " between the following categories: $2a + 2b + 2c + 2d + 2e + 2f + 2g + 2h + 2i = 1$ | 1: | 1: | | |
| 2a. Purchase transaction fees | | | | |
| 2b. ATM fees <i>Do not include ATM fees assessed to cardholders for cash withdrawals by ATM operators at nonproprietary ATMs reported in section III, question 3</i> | | | | |
| 2c. Over-the-counter at-bank (teller) cash withdrawal fees <i>Do not include over-the-counter at-bank (teller) fees assessed to cardholders for cash withdrawals by third party banks reported in section III, question 6</i> | | | | |
| 2d. Account servicing fees | | | | |

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|---|--|--|--|--|
| 2e. Routine monthly fees | | | | |
| 2f. Customer service inquiry fees | | | | |
| 2g. Overdraft fees | | | | |
| 2h. Penalty fees Do not include overdraft fees | | | | |
| 2i. Other fees | | | | |

2i.1. List other types of fees included in 2i.

2j. Comments

Section VIII: Issuer Revenue: Other

Do not exclude revenue ultimately disbursed to a program manager or other third party

Dollars (\$)

1. Total revenue received from fees assessed to government office(s) in ~~2016~~2017
2. Total value of payments and incentives received from payment card networks in ~~2016~~2017
3. Total revenue received from all other sources in ~~2016~~2017 (other than sources already covered in this survey).

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3.1. Provide a description of the types of other sources of revenue included in 3.

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4. Comments regarding questions 1-3

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Glossary of Terms

Account servicing fee: Fee assessed to a government-administered, general-use prepaid cardholder for certain types of funds transfers or in connection with certain types of account maintenance. Examples of account servicing fees include minimum balance fees (for allowing the account balance to fall below a certain amount), inactivity fees (after a period of time (days or months) without deposit, purchase, withdrawal, or other transaction activity), and fees charged for initiating an on-line bill payment transaction (including fees for individual or recurring payments, proof of payment requests, stop payment requests and returned items), transferring funds from the general-use prepaid card to a bank account, converting currency, initiating a money transfer at a money transfer provider, requesting standard or expedited card replacement, or requesting check issuance. Do not include fees assessed to a cardholder every month for general maintenance of the card, as these fees should be categorized as routine monthly fees.

ATM fee: Fee assessed to a government-administered, general-use prepaid cardholder for proprietary (in-network) or non-proprietary (out-of-network) cash withdrawals at an ATM.

Cardholder: Individual, household, or other category used for recipients receiving payments on government-administered, general-use prepaid cards.

Cards outstanding: All active general-use prepaid cards (linked to U.S.-domiciled accounts) in circulation on which funds may be disbursed for the government administered payment program for which data ~~is~~are being reported. This does not include cards in inventory or that are no longer eligible to receive benefit funds.

Customer service inquiry fee: Fee assessed to a government-administered, general-use prepaid cardholder that includes checking the available balance or recent activity on a card via an ATM, an automated interactive voice response menu (via landline or cell phone), web-based account access or when human interaction between the cardholder and the issuer is involved (such as customer service calls to a live representative).

Exempt transaction: Electronic debit transaction that is exempt from the interchange fee standards in Regulation II.

An electronic debit transaction made using a general-use prepaid card that has been provided pursuant to a government-administered payment program is exempt from the interchange fee standards for calendar year ~~2016-2017~~ if one of the following two conditions applies:

- 1) The issuer, along with its affiliates worldwide, has assets that are less than \$10 billion, as of December 31, ~~2015~~2016.
- 2) The issuer, along with its affiliates worldwide, has assets that are greater than or equal to \$10 billion, as of December 31, ~~2015~~2016, and all of the following conditions apply:
 - The cardholder may use the debit card only to transfer or debit funds, monetary value, or other assets that have been provided pursuant to a government-administered payment program;
 - The issuer does not charge a fee for overdrafts, including a shortage of funds or a transaction processed for an amount exceeding the account balance, unless the fee or charge is imposed for transferring funds from another asset account to cover a shortfall in the account accessed by the card
 - The issuer does not charge a fee for the first withdrawal per calendar month from an ATM that is part of the issuer's designated ATM network.

Fees waived or for some other reason not assessed: Fees that an issuer normally would assess to cardholders, but which the issuer did not actually assess or collect. Reasons for not assessing or collecting the fee include, but are not limited to, restrictions imposed by the government agency administering the program, the issuer's marketing or customer service initiative, and the request of a cardholder.

General-use prepaid card: A card or other payment code or device that is (1) issued on a prepaid basis in a specified amount, whether or not that amount may be increased or reloaded, in exchange for payment and (2) redeemable upon presentation at multiple unaffiliated merchants for goods or services. The funds related to these card programs may be loaded directly onto the card, into an account associated with the card, or set aside in some other manner for the benefit of the cardholder.

Government-administered payment program: A program is considered government-administered regardless of whether a federal, state, or local government agency operates the program or outsources some or all functions to third parties so long as the program is operated on behalf of the government agency. In addition, a program may be government-administered even if a federal, state, or local government agency is not the source of funds for the program it administers. For example, child support programs are government-administered programs even though a federal, state, or local government agency is not the source of the funds. In addition, to the extent Health Savings Account, Flexible Spending Account, and Health Reimbursement Arrangement accounts are offered in connection with a person's employment and administered by or on behalf of a government employer, such accounts are considered government-administered payment programs. Jury duty payment programs administered by federal, state, or local governments, including courts, are also considered government-administered payment programs. Further, local government-administered payment programs would include programs administered by tribal governments.

For the purposes of this survey, this definition includes, but is not limited to, federal benefit programs (such as Social Security Administration, Supplemental Security Income, and Veterans Administration), electronic benefit transfer programs (such as Temporary Assistance to Needy Families and the energy assistance programs), payroll programs, child support programs, reimbursement programs, disaster relief programs, and petty cash programs.

Although the Supplemental Nutrition Assistance Program (SNAP) is a government-administered payment program, it should not be reported in this survey. The Board will collect cumulative data for the SNAP program directly from the Food and Nutrition Service under the United States Department of Agriculture.

Government-imposed restrictions: Federal, state or local government agency requirements that restrict or limit an issuer from assessing certain fees to general-use prepaid cardholders in government-administered payment programs. An example might include a government agency requiring an issuer to provide the first ATM cash withdrawal per month at no charge to the cardholder.

Nonproprietary (out-of-network) ATM: An ATM that is not owned by, operated exclusively for, or operated by the card issuing depository institution, or is not part of an ATM network of depository institutions with which the card issuing depository institution is a member such that ATM use is treated as if the ATM is proprietary.

Other fee: Any fee not included in other fee definitions that are assessed to a government-administered, general-use prepaid cardholder.

Overdraft fee: Fee assessed to a government-administered, general-use prepaid cardholder for a negative balance (a transaction that was paid despite insufficient funds on the card) or a denied transaction (a transaction that was denied for insufficient funds).

Over-the-counter at-bank (teller) cash withdrawal fee: Fee assessed to a government-administered, general use prepaid cardholder for initiating a cash withdrawal at a bank teller location.

Payments and incentives received from payment card networks: Payments received by an issuer from a payment card network with respect to debit card transactions or debit-card-related activity. Issuer incentives may be based on reaching specified volume levels, promoting the network's brand through marketing activities, converting the issuer's debit card base to a different signature network, or undertaking

other activities. Exclude payments from a network to an issuer for traditional banking services the issuer provides the network (e.g., transaction account services to the network).

Penalty fee: Fee assessed to a government-administered, general-use prepaid cardholder for the infraction of an issuer's rule(s) or policy/policies. Examples of penalty fees include daily limit fees (circumstances where a cardholder exceeded the transaction amount allowed on a daily basis), and account termination fees. Do not include overdraft fees.

Purchase transaction fee: Fee assessed to a government-administered, general use prepaid cardholder for routine usage of the card for purchase transactions. Examples of routine transaction fees include fees assessed for card usage at the point-of-service (purchase).

Routine Monthly fee: Fee assessed to a government-administered, general-use prepaid cardholder every month for general maintenance of the card.

Settled purchase transaction: A prepaid card transaction that has been settled. Exclude transactions that are pre-authorizations, denials, adjustments, and returns.

Sponsoring government agency: Government agency administering a general-use prepaid card program.

Total interchange fee revenue received: Total value of fees received that are established, charged, or received by a payment card network and paid by a merchant or an acquirer for the purpose of compensating an issuer for its involvement in the debit card transaction.

United States: The states, territories, and possessions of the U.S., the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing.