

Topics for Presentations and Discussions at the FDIC Prepaid Product Informational Sessions

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The FDIC is interested in conducting informational sessions to present and discuss the prepaid account topics listed below.

Part 1. Deposit Insurance Overview and Bank Resolution Process

The topics in Part 1 relate to an overview of FDIC deposit insurance and how deposit insurance applies to prepaid products.

1. FDIC Deposit Insurance Overview. Provide an overview of deposit insurance and how deposit insurance calculated.
2. Pass-Through Deposit Insurance Coverage. Present the requirements for pass-through deposit insurance coverage.
3. Prepaid Products and Deposit Insurance Coverage. Explain how prepaid products would be treated in the event of the resolution of a failed insured depository institution by the FDIC as receiver.

Part 2. Deposit Insurance Scenario

The topic in Part 2 relates to the presentation of a deposit insurance scenario involving a hypothetical bank failure and an analysis of a prepaid card program manager's prepaid card accounts at the failed bank.

Part 3. Open Discussion (Qualitative Survey)

The topics in Part 3 relate to a discussion on the following prepaid product-related issues:

1. Prepaid Product Account Information. Discuss how prepaid cards are processed and identify prepaid product account information that is obtained and maintained by the various stakeholders.
 - Identify the different relationships between the stakeholders.
 - Identify the type of prepaid product account information that is available by each stakeholder such as account name, deposit account number, account type, and balance.
 - Discuss how prepaid card accounts are differentiated from other deposit accounts.
 - Identify the different types of prepaid account programs, the types of contracts, registration eligibility, types of incentive cards, the average dollar amount loaded on prepaid products, the volume of transactions, and the time it would take to provide the underlying prepaid product account information.
 - Discuss how many prepaid card holders also maintain other deposit accounts, including health savings accounts, at the bank.
 - Identify the different programs sponsored by program managers and how program managers cover potential losses.
 - Discuss the information that is required by the FDIC to calculate deposit insurance, the timeframe for providing such information, and the ability to disable prepaid cards.
 - Identify whether prepaid card portfolios have been sold recently and the process for the transaction.
 - Identify the process for funding reward incentive cards and discuss how the records are maintained.

2. Registered versus Unregistered Prepaid Cards. Discuss the segregation of registered prepaid cards from non-registered prepaid cards and the impact on the various stakeholders.
 - Identify how the bank segregates registered prepaid products from non-registered prepaid products.
 - Identify the challenges associated with segregating registered prepaid products from non-registered prepaid products and the ability to maintain separate omnibus accounts.

3. Reconciliation of Prepaid Accounts. Identify how prepaid accounts are reconciled by the various stakeholders.
 - Identify who is responsible for the reconciliation and the frequency of reconciliation.
 - Identify details of the reconciliation process such as how the reconciliation is performed, average number of items, average number of days until cleared, and the type of data needed and received to perform the reconciliation.

4. Know Your Customer Requirements. Identify the Know Your Customer (KYC) / Bank Secrecy Act (BSA) / Office of Foreign Assets Control (OFAC) compliance requirements for prepaid accounts managed by the various stakeholders.
 - Identify how prepaid accounts are processed for KYC, BSA, and OFAC screening and the frequency of such screenings.