

Appendices to

Comments of National Consumer Law Center
on behalf of its low income clients

to

Department Of Health and Human Services
Administration for Children and Families
45 CFR Parts 262 and 265

TANF Assistance and Electronic Benefit Transfer Transactions;
77 Fed. Reg. 24667 (April 25, 2012)

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION UC Debit Cards
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 34-09

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Best Practices for Payment of Unemployment Compensation (UC) by Debit Cards

1. Purpose. To provide guidance to states on best practices for payment of unemployment compensation by debit cards.
2. References. Sections 303(a)(1) and (5) of the Social Security Act (SSA); Sections 3304(a)(4) and 3306(h) of the Federal Unemployment Tax Act (FUTA); and Unemployment Insurance Program Letter (UIPL) No. 45-89.
3. Background. In recent years, the usual method of paying unemployment compensation (UC) benefits has changed from paper checks to direct deposit and/or debit cards. These practices give beneficiaries quicker access to their benefits and are cost effective for states. Based on information available to the Department of Labor (Department), about 31 states currently use debit cards to make some portion of their UC benefit payments.

Debit cards have advantages over paper checks for beneficiaries without bank accounts: they can avoid check-cashing fees and make purchases without having to carry large amounts of cash. Despite these advantages, the Department is concerned that fees associated with debit card use in some states are unfair and has concluded that states can significantly improve their practices to minimize costs to UC beneficiaries. This UIPL is issued to encourage states to adopt certain best practices related to payment of UC benefits by debit cards.

4. Use Direct Deposit for All Individuals with Bank Accounts. The Department recommends payment of benefits by direct deposit rather than debit cards for individuals with bank accounts. For individuals who have bank accounts, direct deposit offers a number of advantages over both paper checks and state issued debit cards:

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- A. It offers the convenience of having benefits deposited without a trip to the bank, and banks often waive monthly account maintenance fees for customers who use direct deposit. Research shows that 97 percent of people who use direct deposit are satisfied with it. (See www.electronicpayments.org for more information on the benefits of direct deposit.)
- B. Benefits may be withdrawn by the individual's usual means of paying bills or obtaining cash, e.g., check, debit card, or bank card; there is no extra card for the individual to carry; and the individual is already familiar with the bank's policies and its network of automated teller machines (ATMs).

The Department recommends that states offer individuals the opportunity to elect direct deposit as soon as possible during the claims process. In states with Internet claim filing, individuals should complete a direct deposit form before submitting their claims. In states with telephone claim filing, individuals should be advised during the claims interview of the availability and advantages of direct deposit, and a sign-up form should immediately be mailed to them.

States that use debit cards and do not yet offer direct deposit should, as an interim measure, offer a way for UC benefits to be automatically transferred from the debit card to the individual's bank account. At least one state already follows this practice.

5. Ensure that Individuals are Clearly Informed of Debit Card Fees and How to Avoid Them. Debit cards offer convenience and security to those individuals who are unable to take advantage of direct deposit because they lack a bank account. In making benefits available to beneficiaries by debit cards, states should communicate the terms and conditions of their use as clearly as possible.

The Department has found that all states offering debit cards as a method of payment notify individuals of debit card fees via the cardholder agreement that is mailed with the debit card. Some states provide additional brochures or fliers advising individuals of fee structures. This information is often also available on the state's website or on the debit card provider's website. While this information is helpful, it appears that individuals do not always read it, nor do they carry this information with them when they use their debit cards.

To ensure that individuals are informed of fees as quickly, clearly, and simply as possible, the Department recommends that states issue a wallet-sized card listing all fees associated with the debit card. In addition to providing a concise overview of fees, the card could be conveniently carried with the debit card. This will ensure that fee information is available at the time individuals are actually accessing their benefits.

Since using out-of-network ATMs and banks results in fees being imposed, states should also provide individuals with easily accessible lists of in-network ATMs and banks where benefits may be accessed for free. Debit card providers' websites often include links to ATM locators,

which allow individuals to enter their address or zip code and locate the nearest in-network ATMs and banks. For individuals without Internet access, state agencies should make printed lists of local in-network ATMs and banks available. States should notify individuals of these resources at the time of mailing the debit card. These lists could be mailed to individuals upon request, or kept in One-Stop Career Centers for individuals to pick up.

6. Negotiate with Debit Card Providers for Fee Schedules that are More Favorable to Individuals. Section 303(a)(1), SSA, requires that states have “methods of administration . . . reasonably calculated to insure full payment of unemployment compensation when due.” The “withdrawal standard” of Section 303(a)(5), SSA and 3304(a)(4), FUTA, prohibits withdrawals, with specified exceptions not germane to this discussion, from a state’s unemployment fund for purposes other than payment of “compensation.” Section 3306(h), FUTA, defines “compensation” as “cash benefits payable to individuals with respect to their unemployment.” The withdrawal standard plainly requires that all money withdrawn from a state’s unemployment fund be used solely in the payment of unemployment compensation, “exclusive of expenses of administration.” (Section 3306(f), FUTA.) UIPL No. 45-89 explains that UC may not be paid to any individual or entity other than the beneficiary, unless authorized by Federal law, and it provides detailed legal support for this determination. Federal law does not authorize payment of administrative expenses from the state’s unemployment fund. Instead, states receive administrative grants to pay for these expenses. Thus, money withdrawn from the unemployment fund as payment of UC may not be used, in any manner, to cover the state’s administrative cost related to the payment of UC, and the entire amount of UC must be made available to the individual without deductions other than those specifically authorized by Federal UC law. (Certain exceptions exist to this requirement, but they are not germane to this discussion.)

Because UC must be paid to eligible individuals in the full amount due, and moneys may not be withdrawn from a state’s unemployment fund to pay for administration of the state’s UC law, the Department interprets Federal law to require that all beneficiaries have reasonable access to the entire amount of each UC payment without cost to the individual. At a minimum, reasonable access means at least one opportunity for the individual to withdraw the entirety of each UC payment at no cost. Applied to debit cards, the state must allow the individual at least one opportunity to cash-out each UC payment, whether by ATM, over-the-counter teller transaction, or point-of-sale (POS) purchase, without incurring any fee.

In practice, most states using debit cards provide for more than one free withdrawal per UC payment. Also, some states have negotiated debit card fee structures that are more advantageous to UC beneficiaries than others. We have identified five areas where we recommend that states negotiate with their debit card providers to ensure fair and equitable fee schedules. Each area is discussed in detail below.

A. Allow more than one free ATM withdrawal per payment

States should negotiate with their debit card providers to allow for as many free in-network ATM withdrawals as possible. ATM transactions are more convenient and less

time-consuming than over-the-counter teller transactions, since individuals may visit an ATM at any time, without regard to business hours or the need to make a purchase.

The majority of states paying UC through debit cards offer some free ATM withdrawals. In some of these states, individuals may make unlimited free withdrawals at in-network ATMs; in others, individuals may make a specified number of free withdrawals at in-network ATMs before incurring fees.

In addition, states should consider the needs of individuals who reside in rural or underserved areas, where their ATM choices may be limited. Whenever possible, states should partner with a debit card company which has a wide array of ATMs in its network.

B. Allow unlimited free POS transactions

Since point-of-sale fees are paid by merchants, the Department sees no reason for charging beneficiaries a fee for any POS transaction. All except two states have already negotiated agreements with their debit card providers that allow unlimited free POS transactions. This should be the case for every state using debit cards.

C. Allow unlimited free ATM balance inquiries at in-network ATMs

States should negotiate with their debit card providers to allow unlimited free balance inquiries at in-network ATMs. Checking debit card balances regularly is one of the simplest ways for individuals to manage their accounts. Allowing unlimited free ATM balance inquiries promotes this end.

Since individuals are already using ATMs to withdraw their benefits, they should also be able to check their balances via ATM without incurring a fee. Although all states offer free online balance inquiries through the debit card provider's website, states should be mindful of the needs of individuals who are not computer literate or who have no Internet access. Also, although most states offer free automated telephone balance inquiries, states should be mindful of individuals who may have difficulty navigating automated telephone menus.

About fourteen states already offer unlimited free balance inquiries at in-network ATMs. Every state using debit cards for payment of UC should implement this approach as a best practice.

D. Eliminate overdraft charges and reduce or eliminate denial fees

A government-issued debit card should not put individuals at hazard for incurring debt. Therefore, it is the Department's position that debit card arrangements must eliminate the possibility of overdrafts and overdraft charges. In most cases, it is not possible for an individual to overdraw a debit card account. If an individual attempts to make a purchase

or withdraw cash and there are not enough funds in his or her account, the transaction is simply denied. In some states, however, it is possible for an individual to overdraw a debit card account and be charged overdraft fees ranging from \$10 to \$20. Overdrafts can result when a merchant puts a charge through without authorization, as in “pay at the pump” transactions and some Internet purchases. The Department recommends a procedure that denies individuals’ attempts to make purchases or withdraw cash when their accounts contain insufficient funds. States using this procedure charge denial fees ranging from \$.40 to \$1.50 per denied transaction, although some states allow a certain number of free denied transactions before the fee is imposed.

The Department understands that, in some states, the debit card provider deducts the amount of an overdraft, overdraft fee, or denial fee from future UC payments. This practice is inconsistent with Federal law, which prohibits withdrawals from the state’s unemployment fund for any purposes other than the payment of cash benefits to individuals with respect to their unemployment. As explained on page 2 of UIPL No. 45-89, UC may not be levied, attached or otherwise encumbered to satisfy any public or private debt. Thus, deducting and withholding a portion of the individual’s benefits to satisfy a debt to the debit card provider is inconsistent with the withdrawal standard.

We strongly urge states to negotiate with their debit card providers to eliminate overdrafts and reduce or eliminate denial fees. A substantial number of states have already done so. In states continuing to allow for such practices, any overdraft or denial fee may not be intercepted from UC. Any state’s debit card arrangement that allows for such an intercept must be immediately renegotiated.

E. Allow unlimited free telephone customer assistance

All states using debit cards offer unlimited free online customer service. However, not all individuals are computer literate and not all have access to the Internet. For these individuals, telephone customer service remains the only option, and they should not be penalized for relying on telephone customer service. Certain individuals who have difficulty with automated telephone menus may prefer to speak directly with a customer service representative. An individual may need to call several times to have debit card issues resolved, especially in the case of lost or stolen cards. The majority of states already allow unlimited free telephone customer assistance, and all should do so.

7. Action. State administrators should distribute this advisory to appropriate staff.
8. Inquiries. Questions should be addressed to your Regional Office.

UNEMPLOYMENT COMPENSATION PREPAID CARDS

STATES CAN DEAL WORKERS A WINNING HAND
BY DISCARDING JUNK FEES



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ABOUT THE NATIONAL CONSUMER LAW CENTER

The National Consumer Law Center®, a nonprofit corporation founded in 1969, assists consumers, advocates, and public policy makers nationwide on consumer law issues. NCLC works toward the goal of consumer justice and fair treatment, particularly for those whose poverty renders them powerless to demand accountability from the economic marketplace. NCLC has provided model language and testimony on numerous consumer law issues before federal and state policy makers. NCLC publishes an 18-volume series of treatises on consumer law, and a number of publications for consumers.

UNEMPLOYMENT COMPENSATION PREPAID CARDS

STATES CAN DEAL WORKERS A WINNING HAND BY DISCARDING JUNK FEES

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EXECUTIVE SUMMARY

Forty states have largely stopped paying unemployment compensation (UC) by paper check and now use a prepaid card for paying some or all UC recipients. For recipients without bank accounts, getting cash from a UC prepaid card will usually be cheaper than paying a check casher to cash a paper check. Prepaid cards also offer security over carrying cash and the ability to make electronic purchases.

Yet prepaid cards come with many fees that nickel and dime unemployed workers at a financially stressful time. The typical unemployment compensation check is only \$294 a week, barely a third of the average wage.¹ Fees can drain precious dollars from families at the very time they need it the most.

A survey of all 40 state UC prepaid card programs shows considerable room for improvement in fee structures, access to information about the card, and payment options. Following are key recommendations to ensure that UC prepaid cards fulfill their promise for both the state and its workers.

States need to reduce fees in order to protect unemployed Americans who are struggling to survive and need every dollar. States receive separate grants for administrative expenses and are not permitted to fund those expenses with money intended for benefits. But fees on prepaid cards skirt that rule:

- 22 cards charge fees at network automated teller machines (ATMs), and all charge at out-of-network ATMs, on top of ATM surcharges.
- 24 cards charge ATM balance inquiry fees.

- 24 cards charge denied transaction fees.
- 5 cards charge \$10 to \$20 overdraft fees.
- 16 cards charge for calls to automated customer service menus.
- 28 cards charge inactivity fees.

Other fees include fees for transactions using a personal identification number (PIN), fees for live customer service calls, and teller withdrawal fees. States should eliminate all penalty and information fees and ensure that recipients can easily access each benefit deposit without charge.

Every state should offer direct deposit as the first choice and checks in case of hardship. Prepaid cards offer little, if any, advantage over direct deposit for those who have a bank account. Some consumers will find prepaid cards too difficult or expensive to use, especially if they are far from a network ATM.

- 6 states that use prepaid cards do not provide a direct deposit option.
- Only 3 states offer all three methods of payment: check, direct deposit and the prepaid card.

The states without prepaid cards, and other states as contracts are renewed, should issue public requests for proposals, give the public a chance to weigh in, and copy the best models. Our review shows:

- The best UC prepaid cards are the California and New Jersey cards offered by Bank of America. These cards offer free

AT A GLANCE . . .

- A national overview of UC prepaid card fees is in [Table 1](#) on page 3.
- A comparison of fee schedules for selected states is in [Table 3](#) on page 20.
- State-by-state highlights are in [Appendix H](#) on page 61.
- State fee schedules are in [Appendices E](#) (page 34) and [F](#) (page 44).

and ample access to cash and transaction information with no penalty fees.

- Close runners up include Arizona (JP Morgan Chase), Maryland (Citibank), and the U.S. Bank cards that do not carry overdraft fees (Minnesota, North Dakota, South Dakota and Wyoming).
- The worst fee is the \$10 to \$20 overdraft fee that can be incurred on U.S. Bank cards issued in Arkansas, Idaho, Nebraska, Ohio, and Oregon. No other UC prepaid card imposes overdraft fees.
- The Tennessee card (JP Morgan Chase) has the most junk fees.

The U.S. Department of Labor (DOL) and the Consumer Financial Protection Bureau (CFPB) have important roles to play. DOL has issued important guidance for UC prepaid cards, but not every card conforms to it. Several federal

laws govern various aspects of UC prepaid cards, but the protection is not adequate. DOL and the CFPB should:

- Review every state's program to ensure that it complies with the law, including rules against mandating use of a prepaid card account and rules against certain fees.
- Ban penalty and information fees and other unfair fees.
- Post all states' fee schedules on one website to promote competition and transparency.

It is quite possible to design a UC prepaid card that works well for both a state *and* its unemployed workers. UC prepaid cards are generally an improvement over paper checks for those without bank accounts, but more work is needed to ensure that they deliver every dollar to unemployed Americans.

Table 1 **NATIONAL OVERVIEW OF STATE UNEMPLOYMENT COMPENSATION PREPAID CARD USAGE AND FEES**

Payment methods	<ul style="list-style-type: none"> • 40 states use prepaid cards (soon 41). • 6 of those (CA, IN, KS, MD, NV, WY) do not offer direct deposit. • 3 states (AK, FL, WV) offer prepaid card, direct deposit & check options.
Point-of-Sale (POS) Transactions	<ul style="list-style-type: none"> • 36 states offer unlimited free POS transactions at Visa- or MasterCard-branded merchants. • 4 states (CO, ME, RI, TN) charge \$0.10 to \$0.25 for purchases using PIN entry. • 1 state (CO) charges \$0.10 for signature transactions after 2 free/month.
Automated Teller Machine (ATM) Withdrawals	<ul style="list-style-type: none"> • 18 states offer unlimited free in-network ATM withdrawals. • 20 others grant 2 to 5 free in-network withdrawals/month. • 2 states (IL \$0.95, TN \$0.60 to \$1.00) charge for every ATM cash withdrawal. • 13 states allow one or more out-of-network ATM withdrawals each month before transaction fees apply. • In all states, out-of-network ATMs can always assess a surcharge.
Teller-Assisted Withdrawals	<ul style="list-style-type: none"> • 25 states offer unlimited free over-the-counter teller withdrawals. • 10 states grant one or more free withdrawals per deposit. • 3 states (CO, LA, VA) provide some free withdrawals but not enough for one withdrawal per deposit. • 2 states (AK, \$5.00 & MO, \$1.25) charge the first time a cardholder uses a teller-assisted withdrawal.
Transaction Information and Balance Inquiries	<ul style="list-style-type: none"> • At least 21 states will mail monthly statements to consumers for free or a small fee. • 24 states charge \$0.25 to \$1.00 for some ATM balance inquiries.
Customer Service	<ul style="list-style-type: none"> • 20 states offer free, unlimited customer service calls. • 40 states permit at least one free call/month, then charge \$0.20 to \$3.00 per call. • 16 states charge even for calls to automated customer service (i.e., to check the card balance) after free calls are exhausted.
Overdraft Charges	<ul style="list-style-type: none"> • 5 states (AR, ID, NE, OH, OR), all served by U.S. Bank, charge overdraft fees, which range from \$10 to \$20. • Except for recurring transactions set up through a merchant, it appears that consumers must opt in to overdraft coverage.
Denied Transaction Fees	<ul style="list-style-type: none"> • 24 states charge \$0.25 to \$1.50 if a transaction is denied due to insufficient funds.
Inactivity Charges	<ul style="list-style-type: none"> • 28 states charge \$0.50 to \$3.00 per month on accounts that have been inactive after a time period ranging from 3 to 14 months.

I. BACKGROUND: PREPAID CARDS AND UNEMPLOYMENT COMPENSATION

A. *What Is a Prepaid Card?*

A prepaid card is basically a bank account debit card without the individual bank account. Funds of many consumers are deposited into a pooled account, with subaccounts for each consumer. Each consumer has a card that is network branded (i.e., Visa or MasterCard) and can be used just like a bank debit card to access that consumer's funds wherever cards are accepted: at merchants, automated teller machines (ATMs), on-line and over the telephone. Typically prepaid cards do not come with checks.²

Some prepaid cards are provided to consumers by government agencies as a vehicle for receiving payments such as unemployment compensation. Consumers can also purchase prepaid cards on the private market at retail outlets and some banks and have their benefits or other income deposited onto those cards. This report addresses only the prepaid card programs established by state agencies, not these private prepaid cards.

B. *Why Are States Paying UC on Prepaid Cards?*

Traditionally, states have paid unemployment compensation (UC) by mailing paper checks. Printing and mailing paper checks costs money, of course, and making payments electronically is more cost efficient. Electronic payments also tend to be more secure, without the problems and expense caused by the loss or theft of checks.

Many states offer the option of signing up to have UC paid by direct deposit to a bank account, but not all recipients of UC have

bank accounts. Even those who do have bank accounts may prefer not to have their unemployment payments deposited there due to problems with overdraft fees, garnishment by debt collectors, or for other reasons.

States can eliminate the expense of paper checks by providing UC prepaid cards to recipients. The state can then simply directly deposit the money on the individual recipient's behalf into the pooled prepaid card account, and the card issuer takes care of the rest.

Prepaid card issuers handle the administrative cost of the prepaid card program at no cost to the state government agency, allowing the agency to eliminate the expense of issuing paper checks. A recent article explained:

[S]tates do not pay [the issuing bank], but the issuer does incur costs to operate the program. It charges some fees to make up for those expenses. . . . "People tend to forget these kind of programs cost money," said Adil Moussa, an analyst with the Aite Group LLC. "You have to pay for the cost of the plastic, customer service centers and workers and other expenses."³

Thus, fees on consumers help pay the administrative costs of delivering the UC benefits. The issuer also earns interchange fees from the merchants where consumers shop. (Prepaid cards are exempt from the caps soon to be imposed on interchange fees on bank account debit cards.) Some interest is also generated on the funds on deposit until they are spent, but little interest is earned in the current interest rate environment.

Using fees on UC recipients to cover the costs of prepaid card programs skirts federal law. As a 2009 United States Department of Labor (DOL) program letter on UC prepaid cards emphasized:

Federal law does not authorize payment of administrative expenses from the state's unemployment fund. Instead, states receive administrative grants to pay for these expenses. Thus, money withdrawn from the unemployment fund as payment of UC may not be used, in any manner, to cover the state's administrative cost related to the payment of UC, and the entire amount of UC must be made available to the individual without deductions other than those specifically authorized by Federal UC law.⁴

But this DOL program letter has not stopped unemployed workers from bearing much of the costs of delivering their own benefits.

Forty states now have a prepaid card for paying UC, up from 30 in 2009. In addition, Massachusetts has announced that its card is coming soon.

C. Advantages of Prepaid Cards for Consumers

For consumers who do not have a bank account, a prepaid card offers important benefits over a paper check:

- No check cashing fees.
- Greater security by not carrying large amounts of cash.
- Ability to make electronic purchases and bill payments, such as on the Internet and over the telephone.

Prepaid cards are subject to the problems of identity theft and unauthorized charges, just like bank debit cards and credit cards. However, if the consumer reports a theft or notices and challenges an unauthorized charge or error promptly, the consumer can generally

retrieve all or most of the lost funds, unlike when cash is stolen.⁵

For a consumer who has a bank account, however, prepaid cards offer little if any advantage over direct deposit. Unless the consumer prefers not to use the bank account for receiving UC—because, for example, of problems with debt collectors or overdraft fees—the consumer is almost always better off with direct deposit.

There are also some consumers for whom a paper check will be the best option. These include consumers who do not have bank accounts but have used the bank accounts of relatives to access their funds, and those with mental or physical disabilities who may find prepaid cards difficult to use.

II. LEGAL PROTECTIONS FOR UC ON PREPAID CARDS

Several laws govern various aspects of prepaid cards used by states to pay unemployment compensation.

As noted above, the *Federal Unemployment Tax Act* (FUTA) provides states separate funds for administrative expenses and unemployment benefits and prohibits the latter from being used to cover the former. The 2009 DOL Program Letter emphasized that states should use direct deposit as the first option, with prepaid cards as the second choice. When benefits are paid on a prepaid card:

[T]he Department interprets Federal law to require that all beneficiaries have reasonable access to the entire amount of each UC payment without cost to the individual. At a minimum, reasonable access means at least one opportunity for

the individual to withdraw the entirety of each UC payment at no cost. Applied to debit cards, the state must allow the individual at least one opportunity to cash-out each UC payment, whether by ATM, over-the-counter teller transaction, or point-of-sale (POS) purchase, without incurring any fee.⁶

In addition, DOL identified five areas where it recommends that states negotiate with their debit card providers “to ensure fair and equitable fee schedules”:

- More than one free ATM withdrawal per payment;
- Unlimited free POS transactions;
- Unlimited free ATM balance inquiries in-network;
- Eliminate overdraft fees and reduce or eliminate denial fees; and
- Unlimited free telephone customer assistance.⁷

The *Electronic Funds Transfer Act* (and Regulation E, which implements the Act) does not currently apply to most prepaid cards but it does apply to UC cards and other cards used to pay non-needs tested government benefits.⁸ The EFTA and Regulation E give consumers the following protections, among others, on their UC prepaid card accounts:

- Protection against *loss, theft, unauthorized charges and billing errors*.⁹
- Access to *transaction information*. Bank accounts covered under Regulation E must provide consumers with periodic statements, but government agencies that establish accounts for payment of government benefits need not provide periodic statements as long as

consumers can obtain account balances by telephone and at ATMs and written statements upon request.¹⁰

- A ban on *overdraft fees* for ATM or one-time debit transactions that overdraw an account, unless consumers affirmatively opt in to having overdraft coverage.¹¹
- A prohibition on *conditioning credit* on payment by preauthorized electronic funds transfer.¹²
- A prohibition on requiring consumers to *establish an account at a particular institution* as a condition of receipt of government benefits (see discussion in section IV.B, below).¹³

The *Federal Trade Commission Act* (FTC Act) broadly prohibits unfair or deceptive acts or practices. Although Regulation E does not directly restrict fees other than overdraft fees,¹⁴ the Federal Reserve Board has noted that *declined transaction fees* “could raise significant fairness issues under the FTC Act, because the institution bears little, if any, risk or cost to decline authorization of an ATM or one-time debit card transaction.”¹⁵ That is, declined transaction fees could violate the FTC Act.

III. IMPORTANT FEATURES OF A FAIR UC PREPAID CARD

Whether used for UC or other purposes, a prepaid card should have the following important features:

- **Choice of payment method.** Consumers should first be offered the option to have funds directly deposited to the account of their choice. If prepaid cards are the default option for those who

have not designated direct deposit, then consumers should be able to opt out and receive a paper check if the prepaid card poses a hardship.

- **Insurance against bank failure.** Funds held in pooled accounts should be insurable based on the amounts in individual consumers' subaccounts, with the insurance payable to the consumers, regardless of the size of, or name on, the master account.
- **Conspicuous, usable disclosures and fee schedules.** Consumers should be able to easily determine what fees they might incur, both at the time of enrollment and later on, as they use the card.
- **No unreasonable fees.** For cards that consumers do not choose themselves, such as a UC prepaid card, consumers should be able to "cash" the card, that is, withdraw the funds deposited on it, and use it for basic functions at no cost, with fees charged only for more extensive use of the card. On any card, consumers should not be tricked into incurring fees for mistakes.
- **Protection against loss, theft, unauthorized charges, and billing errors.** These and other protections are provided by the Electronic Funds Transfer Act and Regulation E.
- **Free and convenient access to balance and transaction information.** Consumers can monitor their accounts for unauthorized charges, unwanted fees, and budgeting purposes only if they have access to statements or other transaction information in a form they can use. Consumers should not be charged fees for balance information or customer service

and should have the option to sign up for paper statements.

- **No overdraft fees or dangerous credit features.** Credit on a prepaid card may sound like a misnomer, but some prepaid cards come with overdraft fees or other dangerous credit features. Though UC prepaid cards do not generally have any credit features, one issuer of UC prepaid cards, U.S. Bank, does permit cards to be overdrawn and charges steep overdraft fees.
- **Wide acceptance and a convenient ATM network.** Consumers must be able to use their cards and withdraw cash at convenient locations without incurring ATM surcharges.

All state UC prepaid cards come with FDIC insurance and EFTA coverage. They all are widely usable for purchases within the MasterCard or Visa network and all can be used to withdraw cash at any ATM, though the extent of the surcharge-free network varies.

This report covers the other important aspects of a prepaid card that vary more among UC cards: choice, disclosures, usage and overdraft fees, and availability of fee and transaction information.

IV. HOW THE CARDS STACK UP

A. Important Disclaimer: Information Not Always Available or Accurate

This report examines the payment options, fee structure, and access to account information for every state that uses a prepaid card for paying unemployment compensation. The National Consumer Law Center (NCLC) did

not survey fees for unusual or optional services such as bill payment.

One of the most apparent differences among the cards offered in different states is the ease or difficulty of getting information on the terms of the card. Presumably every state mails recipients a full fee schedule (perhaps buried in the fine print) and a set of terms and conditions along with the card. But for outside observers, or recipients who need clear and conspicuous information or have lost the initial materials, information can be very difficult to obtain.

Some states have clear fee schedules available on their websites. Others have only incomplete information on their websites, and neither the state nor the bank issuing the prepaid card would provide complete fee schedules without a public records request. [Appendix C](#) indicates whether the fee schedule is available on the state's UC website. The state and bank websites themselves are listed in [Appendix E](#), and the additional fee schedules we obtained are provided in [Appendix F](#).

States that do not have fee schedules available on-line typically have detailed Frequently Asked Question (FAQ) lists that include much of the fee information. But the information may be incomplete and scattered throughout a long document. It appears that a deliberate choice was made not to include complete and compact fee schedules, as it would have been a simple matter to include them.

When contacted, many states could not or would not provide information about the fees charged on their cards and referred callers to the bank. States that had contracts with U.S. Bank, in particular, such as Arkansas, South Dakota and Wyoming, tended to have little information on their websites and to be unresponsive. Arkansas did not deny having the information but refused to provide it:

Unfortunately, the contract with our debit card services provider [U.S. Bank] prohibits the disclosure of any of its terms without the permission of the provider.¹⁶

However, other states that use U.S. Bank, such as North Dakota, were helpful. U.S. Bank itself refused to respond to numerous inquiries. Arkansas also refused to respond to a public records request from NCLC but did ultimately respond to a request from an Arkansas group.

In contrast, information was clear and easy to find in some states, and some banks were more responsive when information was not on the state website. New Mexico, Rhode Island, and Connecticut, for example, had full fee schedules easily available on their websites. Comerica, PNC, JP Morgan Chase, and Bank of America were all forthcoming when contacted. Other states and banks fell somewhere in the middle.

Even when information was available, it was not always accurate or up to date. When contacted, some banks described policies different from those disclosed on their or the state agency's website. For example, the fee schedule that Minnesota provides on its website has apparently long been inaccurate. Similarly, the websites for South Dakota, Tennessee and Illinois list overdraft fees. However, when contacted, the states or the banks issuing those states' cards explained that overdraft fees have been eliminated, likely in response to the Regulation E overdraft rules that went into effect in the summer of 2010. The state-by-state notes in [Appendix E](#) discuss information that contradicts the states' websites.

As a result, this report should be viewed as instructive on the issues and illustrative

of the problems, rather than a fully current and accurate list of all the terms and fees charged on all UC prepaid cards. We have attempted to be as accurate as possible given this lack of transparency, and we welcome any corrections.

B. Choice of Payment Method

Prepaid cards used by states to pay unemployment benefits have one important difference from other prepaid cards offered on the private market: UC recipients do not have a choice of cards with different terms or costs. Consequently, it is essential that consumers be given the option of direct deposit to an account of their choice. For most unbanked recipients, a well-designed prepaid card will be better than a paper check, but it will rarely be better than direct deposit for consumers who have a bank account and use one for their everyday expenses.

Moreover, even some recipients without bank accounts will find a prepaid card difficult or expensive to use. These recipients should always be allowed to opt out of the prepaid card system and receive paper checks instead.

Appendix D details which payment methods consumers can choose. Although our information is incomplete, only Alaska, Florida, and West Virginia (beginning soon) appear to give recipients all three options: direct deposit, a prepaid card or a paper check.

Giving recipients the choice of the prepaid card or other delivery methods is not only good policy, it is also the law. The Electronic Funds Transfer Act prohibits any person (including a state) from requiring a consumer “to establish an account for receipt of electronic fund transfers with a particular financial institution as a condition of . . . receipt of a government benefit.”¹⁷

In 2009, DOL also recommended “payment of benefits by direct deposit rather than debit cards for individuals with bank accounts” and urged states to “offer the opportunity to elect direct deposit as soon as possible during the claims process.”¹⁸ For states that did not yet offer direct deposit in 2009, DOL indicated that states “should, as an interim measure, offer a way for UC benefits to be automatically transferred from the debit card to the individual’s bank account.”¹⁹

Two years later, every state should be offering direct deposit to a bank account of the consumer’s choosing, but six states do not: California, Indiana, Kansas, Maryland, Nevada, and Wyoming. Nevada and Wyoming permit recipients to opt out of the prepaid card and receive a paper check, but in the other states the prepaid card appears to be the only option.

Recipients do have the ability to transfer the funds for free to a bank account, but transfers are a poor substitute for direct deposit for several reasons. The transfer may take up to two or three days for each deposit, a delay that is problematic for someone whose only income is unemployment compensation. Recipients need to figure out how to arrange the transfer and go to the effort to do so. California, Kansas and Maryland allow recipients to set up an automatic transfer but the other states may require a weekly call. Indiana has the fewest options: no direct

Two years later, every state should be offering direct deposit to a bank account of the consumer’s choosing, but six states do not: California, Indiana, Kansas, Maryland, Nevada, and Wyoming.

deposit, no paper check, and no automatic transfer, forcing card holders to call customer service to perform each transfer, potentially incurring customer service fees.

The other 34 states that offer prepaid cards give UC claimants the choice of direct deposit to a bank account. Most give the choice at the time of application. At least five states—Arizona, Colorado, Louisiana, Oklahoma and Oregon—automatically enroll claimants in the prepaid card program and require them to take extra steps to opt out and enroll in the direct deposit program.

Fortunately, most states are moving in the direction of offering direct deposit, though Kansas went in the opposite direction. Since DOL looked at the issue in early 2009, four states that previously only offered prepaid cards (Nebraska, New Mexico, Rhode Island and Texas) added direct deposit as a choice. Hopefully other states will follow suit. Kansas, on the other hand, previously offered direct deposit but eliminated that option once it adopted the prepaid card.

Many states have eliminated checks entirely as they have added prepaid cards, which is a problem for some recipients. Some live in areas with few convenient in-network ATMs, forcing them to incur costly fees every time they withdraw cash. Others have mental or physical disabilities—diagnosed or not—that make prepaid cards difficult to use. States should have a process that permits these consumers to ask for a paper check. Few will do so, but it is an important safety valve to ensure that critical UC funds reach everyone in a safe and effective manner.

C. Cost to “Cash” the Card and Other Usage Fees

UC recipients who do not enroll in direct deposit are automatically enrolled in prepaid cards and do not choose them voluntarily. Consequently, it is essential that recipients be given opportunities to withdraw their funds free of charge. Here again, this is both good policy and the law. As discussed above, the DOL interprets FUTA to require “at least one opportunity for the individual to withdraw the entirety of each UC payment at no cost.”²⁰

States should go well beyond the bare minimum required by DOL and should offer several free methods to access cash so that UC recipients can choose a method that works for them. Recipients should also not be forced to withdraw all of their cash at once in order to avoid fees, but instead should be able to keep money on the card and use it for ordinary transactions without charge.

Fortunately, most states do reasonably well on this score, at least for recipients who live near network ATMs. For recipients who are not near a network ATM, accessing cash without charge can be more cumbersome. A chart listing the usage fees on UC prepaid cards is found in [Appendix A](#).

1. Teller and In-Network ATM Withdrawals

All but four states (Alaska, Illinois, Missouri and Tennessee) give UC recipients at least one free in-network ATM withdrawal *and* one free bank teller withdrawal per deposit. Similarly, all but four states (Tennessee, Colorado, Maine, and Rhode Island) permit consumers to request cash back from a purchase without a fee. (See Section C.4 below.)

Both free ATM withdrawals and teller withdrawals are important. ATM withdrawals are more convenient, and recipients should

not have to stand in line to see a teller to get their money. Moreover, some bank tellers are unfamiliar with the Visa or MasterCard policy permitting teller withdrawals from any member bank (or credit union), and consumers may need to be persistent and ask for a supervisor. Free ATM withdrawals are also important from the bank's perspective: they do not want recipients to take up bank teller time, or to cash out the card immediately (and deny the bank interchange fees from merchants where the cards are used). Thus, banks encourage recipients to keep money on the card. But if consumers comply, they need free access to their cash when necessary.

On the other hand, consumers may need to go inside to the bank teller to withdraw "the entirety" of their payment. ATMs typically limit the amount that can be withdrawn in one day and only dispense funds in \$20 increments. Consumers may also need to use tellers to avoid ATM fees if the consumer does not live near a network ATM.²¹

Cards in only two states charge a fee for even the first in-network ATM withdrawal. The ATM fee is \$0.95 in Illinois. The Tennessee card charges \$1.00 for the first two withdrawals per month, and \$0.60 thereafter. Both programs offer free teller withdrawals.

Eighteen states permit unlimited free in-network withdrawals, and at least 15 states come close by permitting four or five free ATM withdrawals per month. Most of the remaining states allow two free withdrawals per month (or one free every two weeks). After the free withdrawals are used, ATM fees range from \$0.75 to \$1.75, with \$1.50 being most common.

The Missouri (Central Trust Bank) and Alaska (JP Morgan Chase) cards are the only ones that do not permit at least one free teller

withdrawal per month, though they do offer some free ATM withdrawals both in- and out-of-network. Teller withdrawals in Alaska cost \$5.00, the highest of any state but New Mexico (which permits two free teller withdrawals per deposit before charging \$10).

In Missouri, teller withdrawals cost \$1.25 and the card also has a fairly steep \$2.50 fee for transferring funds to a bank account.

More than half of the states that pay UC benefits via prepaid cards— at least 25 out of 40—allow unlimited free teller withdrawals at nearly any bank (any Visa or MasterCard member bank, depending on the card). The rest of the states appear to permit at least two free teller withdrawals per month, though Louisiana offers only one.

2. *Out-of-Network ATM Withdrawals*

Free in-network ATM withdrawals are useful only if the recipient has easy access to a network ATM. Every UC prepaid card charges transaction fees for out-of-network ATM withdrawals at some point. Notably, these transaction fees by the UC card issuer are in addition to *surcharges* imposed by the ATM owner. For example, if a UC recipient in Michigan uses the card at a Bank of America ATM, JPMorgan Chase (which issues the card) charges a \$1.50 transaction fee and Bank of America assesses a \$3.00 surcharge.

There are undoubtedly recipients in every state who do not have convenient access to a

All but four states (Alaska, Illinois, Missouri and Tennessee) give UC recipients at least one free in-network ATM withdrawal and one free bank teller withdrawal per deposit.

Table 2 **COST OF FIRST CASH WITHDRAWAL, SELECTED STATES**

STATE	IN-NETWORK ATM	OUT-OF-NETWORK ATM (fee plus \$2.50 surcharge)	TELLER WITHDRAWAL	TRANSFER TO BANK ACCOUNT	CASH \$310 CHECK AT WALMART	CASH BACK WITH PURCHASE
California	free	\$2.50	free	free	\$3.00	free
Florida	free	\$4.75	free	\$1.50	\$3.00	free
Illinois	\$0.95	\$3.45	free	free	\$3.00	free
Mississippi	\$0.95	\$3.45	free	free	\$3.00	free
Missouri	free	\$2.50	\$1.25	\$2.50	\$3.00	free
New Mexico	free	\$4.00	free	\$15.00	\$3.00	free
Tennessee	\$1.00	\$3.50	free	NA	\$3.00	\$0.25

network ATM. Consequently, it is essential for states to offer some free out-of-network withdrawals, or at least to waive out-of-network charges for recipients who do not live close to a network ATM.

Card programs in only thirteen states—Arizona, Alaska, California, Colorado, Connecticut, Maryland, Missouri, Nebraska, New Jersey, New York, Rhode Island, Texas and Utah—allow recipients any free out-of-network ATM withdrawals (but recipients will still incur surcharges from the ATM owner). Some of these states waive fees for only one or two out-of-network ATM withdrawals per month but pay recipients weekly. The withdrawal may count against the free withdrawals permitted at network ATMs.

In every other state, recipients pay both ATM surcharges and a fee from the UC card issuer when using an out-of-network ATM. West Virginia has the highest out-of-network ATM fee at \$2.75, with Florida and North Carolina also imposing relatively high fees of \$2.25.

We are not aware of any state that offers rebates of the surcharges imposed by ATM owners, as some community banks and credit unions do for regular bank accounts.

3. “Cashing” the Card v. Cashing a Check

The ability to access cash through a UC prepaid card for free makes prepaid cards a significant improvement over paper checks for those who would otherwise have to pay check cashing fees. As noted above, all but four states (Alaska, Illinois, Missouri and Tennessee) give UC recipients at least one free in-network ATM withdrawal and one free bank teller withdrawal, and even those four states provide one or the other.

In most states, recipients can also avoid ATM fees by requesting cash back from a purchase. Only four states charge fees for debit transactions using a personal identification number (PIN), which is generally required in order to get cash back. But merchants may limit the amount of cash back,

and getting cash this way requires making purchases.

Table 2 compares, for selected states, the costs of cashing a UC check at Walmart (which may be cheaper than the check cashers some recipients were using) and the various methods of getting cash from a prepaid card. (Appendices A and D provide ATM, teller and transfer fees for every state UC prepaid card.)

In virtually every state, all recipients have at least one method of withdrawing cash for free and a choice of other methods that are likely to be cheaper than paying to cash a check. Thus, for most previously unbanked recipients, cashing out a UC prepaid card will be cheaper than paying to cash a check.

This is not to say that recipients will necessarily pay less than they would have if they had cashed a paper check. If the recipient does not cash out the prepaid card all at once using the cheapest method, and instead uses it and is not careful to avoid the various fees, the cost could definitely exceed the cost of cashing a paper check.

Moreover, some recipients who were previously receiving checks and now have prepaid cards actually have a bank account and were not paying check cashing fees. In states without direct deposit, consumers may have to go to extra efforts to get the funds into their bank account without paying a fee of some sort.

4. Point-of-service and Other Usage Fees

In every state but Colorado, recipients can use the UC card for purchases for free. Colorado permits two free point-of-service (POS) transactions per month but after that charges \$0.10 for each transaction, whether the consumer signs or uses a personal identification number (PIN). Though the fee is low, a consumer who uses the card as intended—to directly make

purchases rather than as a vehicle for dispensing cash—could rack up several charges a day, adding up to a lot over the course of a month.

Three other UC prepaid cards charge for PIN transactions. PIN transactions are generally required if the consumer wants cash back from a purchase. Maine and Tennessee charge a \$0.25 fee if the consumer selects “debit” and enters a PIN rather than “credit” (and a signature). Rhode Island charges \$0.25 for PIN transactions and also for receiving cash back.

Many cards also give consumers the ability to pay bills on-line. The fees for this service were not included in this survey, but they generally range from \$0.50 to \$0.99 per bill. Bill payment is typically available both for on-line payments and for landlords or others who need to receive a check, just as with bank account bill payment services. Though these fees could add up, bill payment is an added benefit of prepaid cards not available for those receiving benefits by check. Paying bills on-line can save consumers the cost of a stamp or a money order, may be faster than mail, and provides consumers a record of having made the payment.

Some cards have other fees associated with bill payment, including fees for stopping payment or returned items. We did not survey these fees but some are listed in the fee schedules included in [Appendix F](#).

Most cards impose a higher transaction fee for withdrawals made at ATMs outside of the United States. NCLC did not include these fees in our survey but they typically are about \$3.00.

Bank of America offers the ability to make emergency cash withdrawals at Western Union locations, even if the card has been lost. This service costs \$15.00.

Usage fees are detailed in [Appendix A](#).

D. Penalty and Other Junk Fees

1. Overdraft Fees

Some UC prepaid cards have copied abuses widely present in the bank account world by charging large overdraft fees. Bank account overdraft loans are an extremely high-cost form of short-term credit that cost over 50 million Americans tens of billions of dollars a year.²² Overdraft fees on bank accounts are a significant reason that many individuals no longer have bank accounts.²³ Like many other vulnerable populations, UC recipients are

especially at risk of overdrawing their accounts and being subject to high fees, because they are dealing with a significant drop in income and are likely to have low balances in their accounts.

Prepaid cards should be what their name implies: prepaid, not credit cards. Most prepaid cards do not offer any form of credit and do not permit the card to be overdrawn.

If the account does not have enough funds, the transaction is simply denied. On the rare occasion when a small overdraft inadvertently occurs,²⁴ the negative balance is simply recaptured from the next deposit, and most prepaid card issuers will not charge a fee.

Only one bank—U.S. Bank—imposes overdraft fees on its UC prepaid cards. U.S. Bank charges overdraft fees of \$10 to \$20 on cards in Arkansas, Idaho, Nebraska, Ohio and Oregon. The highest \$20 overdraft fee is

charged in Arkansas; overdraft fees are \$17 in Ohio and Oregon, and \$10 in Idaho and Nebraska. Overdraft fees are listed in [Appendix B](#).

U.S. Bank also issues the UC cards in Minnesota, North Dakota, South Dakota and Wyoming. Those cards previously had overdraft fees but the fees were recently eliminated. U.S. Bank offered the states the option of permitting overdraft fees or having other fees. North Dakota, for example, chose to give up paper statements and to permit a fee for all out-of-network ATM withdrawals in order to eliminate the overdraft fees.

This tradeoff between overdraft fees and other fees is a stark illustration of the fact that fees on consumers pay for the UC prepaid card programs. *Although DOL does not permit funds intended for benefits to pay for administrative expenses, that is in fact happening.* Imposing high overdraft fees on some consumers is simply inexcusable as a way to pay for a prepaid card program.

DOL also told states that overdraft fees on UC cards are inconsistent with federal law:

The Department understands that, in some states, the debit card provider deducts the amount of an overdraft, overdraft fee, or denial fee from future UC payments. This practice is inconsistent with Federal law, which prohibits withdrawals from the state's unemployment fund for any purposes other than the payment of cash benefits to individuals with respect to their unemployment. As explained on page 2 of UIPL No.45-89, UC may not be levied, attached or otherwise encumbered to satisfy any public or private debt. Thus, deducting and

Only one bank—U.S. Bank—imposes overdraft fees on its UC prepaid cards. U.S. Bank charges overdraft fees of \$10 to \$20 on cards in Arkansas, Idaho, Nebraska, Ohio and Oregon.

withholding a portion of the individual's benefits to satisfy a debt to the debit card provider is inconsistent with the withdrawal standard.²⁵

Notwithstanding this strong directive, U.S. Bank charges overdraft fees both for automatic "standard" overdraft coverage for some types of transactions and for broader "opt-in" overdraft coverage. The bank's overdraft policy in Arkansas is provided in [Appendix G](#) and we assume is the same in other states, though state websites had some inconsistencies and may be outdated.

Under the standard overdraft coverage automatically included, the bank may pay limited types of overdrawn transactions and assess a fee even if the consumer has not signed up for overdraft coverage. U.S. Bank charges overdraft fees without consumer consent for recurring transactions set up with a merchant, such as when a consumer authorizes a gym or cable company to debit a monthly payment automatically.²⁶ Overdraft fees for recurring transactions are permitted under Regulation E without consumer opt-in.²⁷

Under the opt-in overdraft program, the consumer can elect to permit U.S. Bank to pay, and charge an overdraft fee for, ATM and everyday debit card transactions even when the card has insufficient funds. U.S. Bank provides materials with the card that tell consumers that they might want overdraft coverage for "emergencies or situations where you need to be able to make a purchase."²⁸ But the bank only pays overdrafts at its discretion and does not guarantee that it will pay an overdrawn transaction.

U.S. Bank will refund the overdraft fee the first time an account exceeds the balance if

the card holder calls customer service to talk about why the card became overdrawn and ways to avoid the fee in the future. But a much simpler and fairer approach is to deny transactions if there is no money on the card, not to ask consumers to opt-in to overdraft coverage and then expect them to talk their way out of the fee.

Even with opt-in or an occasional waiver, overdraft fees are unacceptable and there is no justification for inducing people on unemployment into incurring such fees. The \$10 to \$20 fee can be charged multiple times a day with each transaction that exceeds the account balance, no matter how small the overdraft. Overdraft fees can cost a consumer hundreds of dollars a year and are an extraordinarily expensive and abusive form of short term credit.²⁹ Families on unemployment need every dollar for food and other necessities and should not be encouraged to waste any essential dollars on unnecessary bank fees.

2. Denied Transaction Fees

Many UC prepaid cards do not charge overdraft fees but add denied transaction fees for each time an ATM or debit transaction is attempted and denied for lack of funds. Some even charge a denied transaction fee if a consumer talks to a bank teller and does not complete the transaction.

As noted above, DOL warned that a "denial fee . . . is inconsistent with federal law,"³⁰ and the Federal Reserve Board also indicated that the fees "could raise significant fairness issues under the FTC Act, because the

DOL warned that a "denial fee . . . is inconsistent with federal law."

institution bears little, if any, risk or cost to decline authorization of an ATM or one-time debit card transaction.”³¹ Denied transaction fees are unheard of in the regular bank account market.

Despite these stern warnings, UC prepaid cards in 24 states charge denied transaction fees, as listed in [Appendix B](#). The most expensive denied transaction fees are imposed by the Michigan and West Virginia cards issued by JPMorgan Chase Bank: \$1.50 for each attempted point-of-sale and ATM transaction. The typical range of fees in other states is \$0.50 to \$1.00.

Many card issuers waive one or two denied transaction fees per payment period.

In some states, fees are only incurred for ATM denials.

Disturbingly, in several states, consumers face a Catch-22: they can check their balance at an ATM before proceeding and pay a fee,³² or take a chance and pay a denied transaction fee if they are wrong. Cards in five states (Alabama, Connecticut, Iowa, Rhode Island and Tennessee) charge fees for *every*

declined transaction *and every* ATM balance inquiry. The Rhode Island and Connecticut cards (both issued by JP Morgan Chase) are the worst on this score. In Rhode Island, consumers are charged \$0.50 each time they check their balance and \$1.00 if they try to withdraw money from an ATM when the balance is insufficient. In Connecticut, every ATM balance inquiry costs \$0.85 and denied transactions are \$0.80.

Catch-22: Alabama, Connecticut, Iowa, Rhode Island and Tennessee consumers must pay for every ATM balance inquiry or pay a denied transaction fee if they request cash when their balance is insufficient.

Cards in 15 other states impose both denied transaction fees and ATM balance inquiry fees, but offer some free transactions before charging. The U.S. Bank ReliaCards do not appear to assess either balance inquiry fees or denied transaction fees though, as discussed above, some programs do impose overdraft fees.

California, Maryland and New Jersey have the fewest junk fees: they are the only states that do not impose fees for denied transactions, balance inquiries or overdrafts.

3 Inactivity and Other Junk Fees

Most cards (28 out of 40) impose monthly inactivity fees that begin eating away at the card’s balance after a certain amount of time. Alabama’s is the worst on this score: the balance declines by \$2.50/month after only 90 days. Maryland is a close second, charging \$3.00 after 180 days. In the other states, the inactivity period ranges from 180 days to 14 months, and the fees range from \$0.50 to \$2.50. Inactivity fees are listed in [Appendix B](#).

Inactivity fees are merely a method of taking recipients’ money away from them to fund the prepaid card program. Instead, if the issuer does not wish to keep an account on the books after it becomes inactive, the issuer should refund the balance and close out the account.

A few states not only impose inactivity fees but also charge a fee to issue a check to close out the account. That fee hits consumers who are trying to avoid inactivity fees but want to save the remaining funds rather than spend down the card. Connecticut and Colorado, for example, charge a \$12.50 check issuance fee. This fee too is merely a mechanism to take funds from consumers, not a fee to cover legitimate costs, though presumably consumers could avoid the fee by asking for cash from a teller. Check issuance fees are listed in the

state-by-state notes in [Appendix E](#) but are not included in the fee charts.

Some cards that offer bill payment have high fees for stopping payment and returned items. We did not survey these fees but included them in [Appendix E](#) if we observed them.

Other types of junk fees include fees for balance inquiries and customer service. Those fees are discussed below under information fees.

E. Access to Balances, Transaction Information, Customer Service

Bank account customers take for granted the ability to get statements, balance and transaction information, and help through customer service for free. Information is not so freely available on prepaid cards. Many do not provide statements at all. Some cards charge for customer service and for balance inquiries made through ATMs. Many charge even for use of an automated interactive voice response (IVR) telephone menu after a certain number of inquiries. Information fees are listed in [Appendix C](#).

Balance and transaction information and help from customer service should be free, especially if the consumer is not receiving a regular statement. Indeed, Regulation E dispenses with the statement requirement for government prepaid cards only if the agency makes the account balance available through a telephone line and at a terminal and provides a paper transaction history on request.³³

Consumers need access to account information to check for unwanted fees or an unauthorized charge and to manage their budgets. They should never be charged a fee for responsible behavior such as checking their balance, especially through an automated system. Even a modest fee can dissuade cash-strapped consumers from doing so. Balance

inquiry fees are especially troubling when coupled with denied transaction fees as they are in some states, as discussed above. Balance inquiry fees can also add up for consumers who are anxious to access their money the moment it is deposited.

Every state offers transaction information free on-line. We also presume, but did not confirm, that every card offers the ability to request paper statements on an ad hoc basis, as required by law.³⁴ However, there may be a charge for the customer service call.

Consumers should also have the option of signing up for regular monthly statements at a cost no greater than \$1 per month. Statements are essential to a consumer's ability to monitor the account for unauthorized charges, errors and unwanted fees. Electronic statements are an adequate substitute only for those consumers who have easy access to the Internet *and* the habit of checking their on-line accounts regularly. But only about 30% of low income households have home access to the Internet,³⁵ and terminating Internet service may be an early cost savings measure for workers of any income level if they become unemployed. Even with Internet access, many consumers will forget to check their accounts on-line without the reminder of that paper statement arriving in the mail.

The U.S. Bank ReliaCards in the states that impose overdraft fees provide the fullest free access to account information. Perhaps the bank decided that overdraft fees would be especially untenable if consumers did not have full access to balance information. The cards in Arkansas, Idaho, Nebraska, Ohio and Oregon offer free monthly paper statements, free ATM balance inquiries both in and out-of-network, and free automated customer service calls. The monthly paper statements are

mailed automatically and do not require any action from the cardholder to enroll. Calls to a live customer service agent are also generally free, though in Idaho only three free calls are permitted each month (after which a \$3 fee is imposed.)

The U.S. Bank cards in the non-overdraft fee states (Minnesota, North Dakota, South Dakota and Wyoming) also have ample and free access to account information. However, paper statements had to be dropped in North Dakota in exchange for eliminating overdraft fees.

Several Chase card programs (Arizona, Louisiana, New York, and Texas) will mail free statements to card holders, and others offer statements but a small fee is charged.

The Bank of America cards (California, New Jersey and South Carolina) also offer generally full and free access to account information, with some caveats. ATM balance inquiries, IVR calls, and live customer service calls are all free and unlimited except in South Carolina, which permits only one live customer service call a month and then charges \$1.50. California and South Carolina will provide cardholders free statements but the cardholder must call the customer service line and request mailed statements. Regular statements are not available in New Jersey.

Other cards that offer a paper statement option and generally good access to account information, but with some fees, include those in Alaska, Connecticut, Maine, Missouri, and Utah. Michigan also offers paper statements for \$0.95, but an inappropriate \$1 ATM balance inquiry fee applies even at network ATMs after one free inquiry every two weeks. The other UC prepaid cards appear not to offer the option of monthly statements, even for consumers who are willing to pay for them.

Only about 20 states follow the DOL guidance by allowing unlimited free customer service calls. Consumers in sixteen states get four or more free calls per month and then pay \$0.10 to \$3. Every state offers at least one free call per month.

Cards in 24 states offer unlimited free in-network ATM balance inquiries as recommended by DOL, and 16 of those do not charge for out of network inquiries either. Four others permit one free inquiry per deposit. But cards in ten states charge for even the first in-network balance inquiry: Alabama, Connecticut, Illinois, Indiana, Iowa, Kansas, Oklahoma, Pennsylvania, Rhode Island and Tennessee.

Every state appears to offer either unlimited calls to automated (IVR) customer service or a number of free calls (four to eight or more per month) before fees of \$0.10 to \$0.50 are imposed. Nonetheless, calls to automated menus should never incur fees, especially (but not only) if the recipient is not getting a monthly statement.

Some other cards offer the opportunity to sign up for email or cell phone text alerts. Alerts can be a useful way to obtain timely information about charges and balances and to monitor for identity theft. We did not survey this feature comprehensively but some cards that offer this service are noted in [Appendix E](#). For example, the South Dakota and Minnesota cards (both U.S. Bank) offer free cell phone text message alerts and balance inquiries. The Arkansas card (U.S. Bank) offers account alerts by text message for \$0.15 and email messages for no charge. Colorado (JP Morgan Chase) and Virginia (Comerica) card holders may sign up for free deposit alerts by e-mail, text message, or automated telephone call.

F. Overall Assessment

UC prepaid cards vary widely, both from state to state, and even among cards offered by the same bank. None of the cards is perfect. Nearly every card has both good and problematic features. The U.S. Bank cards with the most troublesome fees tend to be quite good on other measures. Some cards are better for recipients in urban areas with many network ATMs, while others are better in remote areas. Nonetheless, it is possible to draw some overall conclusions.

The best overall UC prepaid cards are the California and New Jersey cards offered by Bank of America. Both cards offer recipients ample free ways to get cash and information with no junk fees:

- Free in-network ATM withdrawals;
- Free bank teller withdrawals;
- Two free out-of-network ATM withdrawals either every two weeks (California) or every month (New Jersey) before incurring a \$1 fee;
- Free cash back from a purchase;
- No overdraft or denied transaction fees;
- No ATM fees for balance inquiries either in or out of network;
- Free automated and live customer service calls;
- No fees for point-of-sale transactions;
- No inactivity fees.

California, however, needs to offer a direct deposit option, and New Jersey should add the option of monthly paper statements. Also, neither state offers paper checks if the consumer has some hardship that makes the prepaid card difficult to use.

Though both California and New Jersey have good fee schedules, transparency could be better. Fee information for the California card is buried at the bottom of a lot of fine print on the Bank of America website and is not available at all on the state's website. On New Jersey's website, the unemployment page includes a 12-page information sheet with only partial fee information scattered throughout.³⁶ The New Jersey Department of Labor's home page does include an easy-to-read and comprehensive fee schedule but it is not linked to the unemployment page.

The fact that California has a large number of UC recipients clearly made it easier for the state to negotiate a strong contract. But the involvement of advocates was also critical. Consumers Union, the National Consumer Law Center, and other groups weighed in and urged the state to push for a fair card.³⁷ New Jersey, whose card is offered by the same bank (Bank of America), may have benefited from the experience in California.

Close runners up are the Arizona (JP Morgan Chase), Maryland (Citibank), and the U.S. Bank cards that do not have overdraft fees (Minnesota, North Dakota, South Dakota, and Wyoming). All of these cards are similar to but not quite as fee-free as California's and New Jersey's. Maryland and Wyoming also lose points for not allowing direct deposit and requiring use of the prepaid card, though Wyoming still provides a paper check option. The Arizona card charges out-of-network ATM balance inquiry fees and offers a number of, but not unlimited, free customer service calls. The Maryland, Minnesota, North Dakota, South Dakota and Wyoming cards charge \$1.25 to \$1.50 for out-of-network withdrawals, among some other fees.

Table 3 **USAGE, PENALTY AND INFORMATION FEES, SELECTED STATES**

	CA (BOFA)	MD (CITI)	AZ (CHASE)	ND (US Bank)	AR (US Bank)	IL (IL Nat'l Bank)	TN (CHASE)
ATM in-network	free	4 free, \$1.50	free	free	free	\$0.95	\$1.00 first 2, \$0.60*
ATM out-of-network	4 free, \$1.00	4 free, \$1.50	4 free, \$1.50	\$1.25	\$1.50*	\$0.95	\$1.00 first 2, \$0.60*
Teller	free	free	free	free	free	free	free
Point-of-service (i.e., purchase) using PIN	free	free	free	free	free	free	\$0.25 (PIN)
Denied transaction	free	free	free	free	free	free	\$0.25
Overdraft	free	free	free	free	\$20.00	free	free
ATM balance inquiry (in-network)	free	free	free	free	free	\$0.50	\$0.40
ATM balance inquiry (out-of-network)	free	free	\$0.50	free	free	\$0.50	\$0.40
Customer Service (automated)	free	free	8 free, \$0.25	free	free	free	4 free, \$0.10*
Customer Service (live)	free	free	8 free, \$0.25	free	free	1 free, \$1.25	4 free, \$0.10*
Paper statement	free	NA	free	NA	free	NA	NA
Transfer to bank account	free	free	\$0.50– \$0.75*	NA	NA	NA	NA
Inactivity	free	\$3.00	\$1.50	\$2.00	\$2.00	\$2.50	free

*See Appendix E for details.

Other cards that come close but have some problematic features are those offered in:

- Missouri (Central Trust Bank), which has unlimited in-network ATM withdrawals, some free out-of-network ATM withdrawals, and relatively few junk fees, but no free teller withdrawals and early inactivity fees;
- Florida (Wells Fargo), if used in network, though out-of-network ATM fees are \$2.25 and balance inquiries are \$0.75; and

- South Carolina (Bank of America), where recipients can avoid most fees if they stay in network and remember to check their balance before using ATMs (to avoid denied transaction fees).

The cards with the most problematic feature are the U.S. Bank cards in Arkansas, Idaho, Nebraska, Ohio and Oregon, which may impose \$10 to \$20 overdraft fees. There is no excuse for permitting overdraft fees to drain funds from cash-strapped unemployed

workers. The potential for overdraft fees overshadows the otherwise positive features of the U.S. Bank cards, including the best access to information and statements and unlimited free in-network ATM withdrawals. Overdraft fees may subsidize these features, but the fees fall unevenly and are an inappropriate funding source, especially as federal law prohibits using funds intended for unemployment benefits to pay for administrative costs.

The Tennessee UC card (JP Morgan Chase) has the most junk fees. It is one of only two states that fail to offer any free ATM withdrawals (\$1.00 for the first two each month, then \$0.60). Consumers pay both ATM balance inquiry fees and denied transaction fees, and only three other states charge a fee for point-of-service transactions if a PIN number is used.

The other state cards with especially problematic fee structures are:

- Illinois, which charges for even the first in-network ATM withdrawal and for ATM balance inquiries, among other fees;
- Alabama, Connecticut, Iowa, Michigan, Rhode Island and Texas, which charge denied transaction, ATM balance inquiry, and other fees.
- West Virginia, which has some especially high fees (\$2.75 for an out-of-network ATM withdrawal, \$1.50 for a denied transaction) and also charges \$0.25 for out-of-network ATM balance inquiries, among other fees.

All of these cards are issued by JP Morgan Chase except for Illinois (Illinois National Bank), Alabama (Regions) and Iowa (Wells Fargo).

V. RECOMMENDATIONS

Virtually every state UC prepaid card program has its strong points and its weak points. Notably, card features vary considerably even among those issued by the same bank, so clearly there is room for negotiation and adjustment. U.S. Bank and JP Morgan Chase offer both some of the best and some of the most problematic UC prepaid cards. Other banks' card programs also vary across states.

The National Consumer Law Center offers the following recommendations for improving UC prepaid cards.

Direct deposit. The six states (California, Indiana, Kansas, Maryland, Nevada, and Wyoming) that are not offering the choice of direct deposit to a bank account, as required by the Electronic Funds Transfer Act and the 2009 DOL program letter, must do so. Direct deposit is just as cheap for the state. States should not be in the business of channeling consumers onto prepaid cards by delivering the bank a captive population of customers or requiring consumers to incur the time or expense to transfer funds off the card. In addition, several other states should offer direct deposit early in the application process, as recommended by DOL, and not force recipients to go to the effort to opt out of the prepaid card.

Fewer fees. States need to be more aggressive negotiators when entering prepaid card contracts to help unemployed Americans get every possible dollar of their benefits. In particular, states should ensure that, at a minimum, UC prepaid cards give recipients:

- At least one free ATM withdrawal per deposit, and hopefully unlimited withdrawals at network ATMs;

- Some free out-of-network ATM withdrawals and rebates of ATM surcharges for those who do not live or work near a network ATM;
- One free bank teller withdrawal and one free bank transfer per deposit;
- No denied transaction or overdraft fees;
- No fees for checking balances at any ATM or through automated (IVR) telephone systems;
- Unlimited, free customer service calls.

Checks in case of hardship and fewer fees for nonurban areas. States should offer the option of a paper check to recipients for whom prepaid cards pose a hardship. In particular, prepaid cards may pose a hardship for recipients with disabilities or those who live in non-urban areas that have few or no in-network ATMs. States could mitigate this hardship (and decrease the number of check requests) by negotiating broad ATM networks, waiving out-of-network ATM fees, reimbursing ATM surcharges for recipients in remote areas, and ensuring that balance transfers and teller withdrawals are free.

Better information. States should post clear fee schedules and terms and conditions for their UC prepaid cards in a prominent location on their UC websites. Card issuers should also give recipients a wallet-sized card listing the fees and offer the option to sign up for paper statements for free or at a nominal fee. Few will do so, but the option is important.

State alliances. Smaller states should form alliances, as some have already done, so that they can deliver a larger pool of potential card users and negotiate better contracts. It is

probably no coincidence that the best UC prepaid card is California's. The bigger a state alliance, the more bargaining power it will have with card issuers.

Public RFPs and involvement of advocates. States should issue public requests for proposals (RFPs) when they are considering entering into a prepaid card contract so that unemployed workers and their advocates have a chance to let their state agencies know what features are important to UC recipients. In most states, the public has been kept in the dark until it is too late.

States without prepaid cards should copy the best models. Delaware, the District of Columbia, Georgia, Hawaii, Kentucky, Massachusetts, Montana, New Hampshire, Vermont, Washington State, and Wisconsin do not yet have UC prepaid cards but may be considering them. (A Massachusetts card is coming soon.) These states should learn from the experiences of those who went before them. Advocates in those states should contact their unemployment agency to see if a prepaid card is being contemplated and to push for strong protections.

Delaware, the District of Columbia, Georgia, Hawaii, Kentucky, Massachusetts, Montana, New Hampshire, Vermont, Washington State, and Wisconsin do not yet have UC prepaid cards but may be considering them.

The U.S. Department of Labor and the new Consumer Financial Protection Bureau also have important roles to play to ensure competition and fairness. They should work together to:

- **Review every state’s program** to ensure that recipients are first offered and encouraged to use direct deposit to an account of their own choosing before being given a prepaid card, as required by the EFTA and the DOL program letter.
- **Ban overdraft and denied transaction fees**, which DOL has said are “inconsistent with federal law” and are unfair.
- **Ban any fees for obtaining information about the account**, including balance inquiry fees and fees for customer service. Providing such information for free should be the tradeoff for not automatically providing paper statements, as bank accounts must do. A paper statement option should be required for a fee of no more than \$1 per month.
- **Collect every state’s fee schedule** and post them in one place where they can be easily compared side-by-side, enhancing competition.
- Consider issuing an **RFP for a national card** that state programs can join. DOL would have more bargaining power than individual states and could leverage economies of scale.

VI. CONCLUSION

Prepaid cards can be cheaper, more convenient, and safer for unbanked consumers than receiving a paper check, though they are rarely better for consumers with bank accounts. A careful recipient can use a UC prepaid card without incurring any fees, but most of the cards have tricks for the unwary.

The movement toward prepaid cards is a positive one for consumers in many ways, but improvements are still needed. Although fees on consumers help to pay for the prepaid card program, states need to remember that they receive separate grants for administration and are not legally permitted to fund administrative expenses through fees that are taken out of UC benefits. But as California and some other states have shown, it is quite possible to design a UC prepaid card that works well for both states *and* the unemployed.

Losing a job is a tremendous blow to any family. Anyone living on unemployment compensation is struggling to make ends meet. States need to do more to make sure that unemployed workers get every penny to which they are entitled.

ENDNOTES

1. Unemployment Insurance Data Summary, U.S. Dep't of Labor, Fourth Quarter of 2010, *available at* http://workforsecurity.doleta.gov/unemploy/content/data_stats/datasum10/DataSum_2010_4.pdf.
2. Some prepaid cards offer checks that can be pre-funded, but this option is not generally available on unemployment compensation prepaid cards.
3. Will Hernandez, "Use of Prepaid for Government Benefits Expands," *American Banker* (Apr. 8, 2011).
4. Employment and Training Admin. Advisory System, U.S. Dep't of Labor, Unemployment Insurance Program Letter No. 34-09 on Best Practices for Payment of Unemployment Compensation (UC) by Debit Cards, at 3 (Aug. 21, 2009) (DOL Debit Card Program Letter), *available at* http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2795. The program letter did not say that all fees on prepaid cards were unlawful, though it did emphasize that they should be minimized. DOL's views on particular fees are discussed throughout this report.
5. Under the Electronic Funds Transfer Act, if the consumer reports the loss or theft of the card within two business days, the consumer's losses are limited to \$50. If the card is not lost but the consumer discovers unauthorized charges on the card, the consumer's losses are also limited to \$50 if the unauthorized charges are reported within 60 days of transmittal of a written statement or other account information revealing the charge. In both cases, Visa or Mastercard Zero Liability policies may cover that \$50 liability.
6. DOL Debit Card Program Letter, *supra* note 4, at 3.
7. *Id.* at 3-5.
8. A government agency is considered to be a "financial institution" covered under the EFTA if "directly or indirectly it issues an access device [a card] to a consumer for use in initiating an electronic fund transfer of government benefits from an account, other than needs-tested benefits." Regulation E, 12 C.F.R. § 205.15(a)(1). The EFTA exempts "electronic benefit transfer systems," which are systems "under which a government agency distributes needs-tested benefits." 15 U.S.C. § 1693b(d)(2)(A)(i). The electronic benefit transfer exemption "does not include employment-related payments, including . . . unemployment benefits." *Id.* § 1693b(d)(2)(A)(ii).
9. 15 U.S.C. §§ 1693f, 1693g.
10. 12 C.F.R. § 205.15.
11. 12 C.F.R. § 205.17.
12. 15 U.S.C. § 1693k(1).
13. 15 U.S.C. § 1693k(2).
14. Official Staff Interpretation of Regulation E, 12 C.F.R. pt. 205, *supp. I*, § 205.17(b)-2, 74 Fed. Reg. 59,033, 59,045 (Nov. 17, 2009).
15. 74 Fed. Reg. 59,033, 59,041 (Nov. 17, 2009).
16. E-mail from Ron Calkins, Assistant Director-Unemployment Insurance, Arkansas Department of Workforce Services to Jillian McLaughlin (Mar. 17, 2011) (on file at NCLC).
17. 15 U.S.C. § 1693k.
18. DOL Debit Card Program Letter, *supra* note 4, at 1-2.
19. *Id.* at 2.
20. *Id.* at 3.
21. For these consumers, the cost of the teller withdrawal is borne by another bank or credit union that has nothing to do with the prepaid card. This is another reason to waive out-of-network ATM fees and to permit consumers to opt out and receive paper checks (which can be cashed through family members or friends).
22. Leslie Parrish, Center for Responsible Lending, *Overdraft Explosion: Bank fees for overdrafts increase 35% in two years* (Oct. 6, 2009), *available at* <http://www.responsiblelending.org/overdraft-loans/research-analysis/crl-overdraft-explosion.pdf>.
23. See Dennis Campbell, Asis Martinez Jerez, & Peter Tufano, *Bouncing Out of the Banking System: An Empirical Analysis of Involuntary Bank Account Closures*, Harvard Business

- School (June 6, 2008) (noting that virtually all involuntary bank account closures, when the financial institution closes a consumer's account, occur because the account became overdrawn an excessive number of times).
24. An inadvertent overdraft can occur when the merchant uses delayed batch processing on small transactions or when a preapproved transaction, such as at a gas station or a restaurant charge before the tip, exceeds the preapproved amount.
 25. DOL Debit Card Program Letter, *supra* note 4, at 5.
 26. See [Appendix G](#). In the past, U.S. Bank also charged overdraft fees when preapproved transactions, such as pay-at-the-pump gasoline dispensers or a restaurant bill before the tip, exceeded the preapproved amount. It is unclear if the bank is still charging overdraft fees in those situations without consumer opt-in, which would violate Regulation E. See Official Staff Interpretation of Regulation E, 12 C.F.R. pt. 205, supp. I, § 205.17(b)-2, 74 Fed. Reg. 59,033, 59,045 (Nov. 17, 2009). The Idaho fee schedule indicates that overdraft fees are charged more generally, but we assume that the website is out of date and that U.S. Bank is now complying with Regulation E and imposing "standard" overdraft fees only in the limited circumstances permitted.
 27. Regulation E's opt-in requirement applies only to ATM and one-time debit card transactions, not overdrafts incurred by checks or electronic payments on the Automated Clearing House (ACH) network. See 12 C.F.R. § 205.17(b)(1). UC prepaid cards are one of two types of prepaid cards covered by Regulation E. See *supra* note 8.
 28. See [Appendix G](#).
 29. See Leslie Parrish, Center for Responsible Lending, Overdraft Explosion: Bank fees for overdrafts increase 35% in two years (Oct. 6, 2009), available at <http://www.responsiblelending.org/overdraft-loans/research-analysis/crl-overdraft-explosion.pdf>.
 30. DOL Debit Card Program Letter, *supra* note 4, at 5.
 31. *Id.*
 32. Consumers can also check their balances by calling customer service, but in many states each call—even to the automated menu—uses up their limited number of free customer service calls.
 33. 12 C.F.R. § 205.15(c).
 34. 12 C.F.R. § 205.15(c)(1).
 35. U.S. Census Bureau, Statistical Abstract of the United States: 2011, Table 1156, Internet Access and Usage: 2009, available at <http://www.census.gov/compendia/statab/2011/tables/11s1156.pdf>.
 36. For example, expedited card replacement and emergency cash transfer fees are not listed on the department's website.
 37. See Letter from Consumers Union, et al. to California Employment Development Department (Aug. 26, 2009), available at <http://www.defendyourdollars.org/pdf/CAUI-809.pdf>.

APPENDIX A

USAGE FEES ON UNEMPLOYMENT COMPENSATION PREPAID CARDS

STATE	ISSUER	ATM IN-NETWORK	ATM OUT-OF-NETWORK	TELLER	POS
Alabama	Regions Bank	2F, \$1.00	\$1.00	F	F
Alaska	JP Morgan Chase	2F, \$1.50*	2F, \$1.50*	\$5.00	F
Arizona	JPMorgan Chase	F	4F, \$1.50	F	F
Arkansas	US Bank	F	\$1.50	F	F
California	Bank of America	F	4F, \$1.00	F	F
Colorado	JPMorgan Chase	F	4F, \$1.50	2F, \$5.00	2F, \$0.10 (sig.)/ \$0.10 (PIN)*
Connecticut	JPMorgan Chase	4F, \$1.50*	4F, \$1.50*	F	F
Florida	Wells Fargo	F	\$2.25	2F, \$3.00	F
Idaho	US Bank	F	\$1.25	F	F
Illinois	Illinois National Bank	\$0.95	\$0.95	F	F
Indiana	PNC	4F, \$1.25*	\$1.25	4F, \$2.50*	F
Iowa	Wells Fargo	4F, \$1.35	\$1.35	F	F
Kansas	Citibank	4F, \$0.75	\$0.75*	F	F
Louisiana	JPMorgan Chase	4F, \$1.50	\$1.50	1F, \$4.00	F
Maine	JPMorgan Chase	4F, \$1.50	\$1.50	F	\$0.25 (PIN)
Maryland	Citibank	4F, \$1.50*	4F, \$1.50*	F	F
Michigan	JPMorgan Chase	4F, \$1.50	\$1.50	2F, \$4.00	F
Minnesota	US Bank	F	\$1.50	F	F
Mississippi	Comerica	3F, \$1.75	\$1.75	F	F
Missouri	Central Trust Bank	F	4F, \$1.75	\$1.25	F
Nebraska	US Bank	F	1F, \$1.25	F	F
Nevada	Wells Fargo	4F, \$1.75	\$1.75	F	F
New Jersey	Bank of America	F	2F, \$1.00	F	F
New Mexico	Wells Fargo	4F, \$1.50	\$1.50	4F, \$10.00	F
New York	JPMorgan Chase	F	2F, \$1.50	F	F

APPENDIX A (cont.)

STATE	ISSUER	ATM IN-NETWORK	ATM OUT-OF-NETWORK	TELLER	POS
North Carolina	Wells Fargo	F	\$2.25	8F, \$2.50	F
North Dakota	US Bank	F	\$1.25	F	F
Ohio	US Bank	F	\$1.50	F	F
Oklahoma	Comerica	2F, \$1.50	\$2.00	F	F
Oregon	US Bank	2F, \$1.50	\$1.50	2F, \$3.00	F
Pennsylvania	Comerica	4F, \$1.50*	\$1.50	F	F
Rhode Island	JPMorgan Chase	4F, \$1.50*	4F, \$1.50*	4F, \$5.00	\$0.25 (PIN)
South Carolina	Bank of America	4F, \$1.50	\$1.50	4F, \$2.00	F
South Dakota	US Bank	F	\$1.25	F	F
Tennessee	JPMorgan Chase	\$1.00, \$0.60*	\$1.00, \$0.60*	F	\$0.25 (PIN)
Texas	JPMorgan Chase	F	2F, \$1.50*	2F, \$5.00	F
Utah	JPMorgan Chase	4F, \$1.50*	4F, \$1.50*	4F, \$4.00*	F
Virginia	Comerica	5F, \$1.45	\$1.45	2F, \$2.50	F
West Virginia	JPMorgan Chase	F	\$2.75	F	F
Wyoming	US Bank	F	\$1.25	F	F

ATM in-network: Fee for each cash withdrawal at an automated teller machine in the issuer's network.

ATM out-of-network: Fee for each cash withdrawal at an ATM not in the issuer's ATM network.

Teller: The fee to withdraw cash from a teller inside the bank.

POS: Fee for each point-of-service transaction (i.e., purchase). PIN indicates the fee is charged only for transactions made using a personal identification number (rather than a signature).

F: Free. 4F would indicate four free per month before the fee is charged.

*See Appendix E for more details.

Blue indicates the fewest fees.

Red indicates the highest or most frequent fees.

APPENDIX B

PENALTY FEES ON UNEMPLOYMENT COMPENSATION PREPAID CARDS

STATE	ISSUER	DENIED TRANSACTION	OVERDRAFT	INACTIVITY
Alabama	Regions Bank	\$0.40 (ATM)	F	\$2.50 (90d)
Alaska	JP Morgan Chase	\$0.50	F	\$1.50 (12 mos.)
Arizona	JPMorgan Chase	F	F	\$1.50 (365d)
Arkansas	US Bank	F	1W, \$20.00*	\$2.00(365d)
California	Bank of America	F	F	F
Colorado	JPMorgan Chase	\$0.75	F	F
Connecticut	JPMorgan Chase	\$0.80	F	\$1.50 (365d)
Florida	Wells Fargo	F	F	F
Idaho	US Bank	F	1W, \$10.00*	\$2.00 (180d)
Illinois	Illinois National Bank	F	F	\$2.50 (2 yrs.)*
Indiana	PNC	4F, \$0.25 (ATM)	F	\$0.50 (14 mos.)
Iowa	Wells Fargo	\$0.50 (ATM)	F	F
Kansas	Citibank	F	F	F
Louisiana	JPMorgan Chase	\$0.75 (ATM)*	F	\$1.40(365d)
Maine	JPMorgan Chase	\$1.00	F	? (180d)*
Maryland	Citibank	F	F	\$3.00 (180d)*
Michigan	JPMorgan Chase	\$1.50	F	\$1.50 (365d)
Minnesota	US Bank	F	F	\$2.00 (365d)
Mississippi	Comerica	3F, \$0.50 (ATM)	F	\$1.00 (14 mos.)
Missouri	Central Trust Bank	4F, \$0.25	F	\$2.50 (180d)
Nebraska	US Bank	F	1W, \$10.00*	\$2.00 (270d)
Nevada	Wells Fargo	2F, \$0.50 (ATM)	F	F
New Jersey	Bank of America	F	F	F
New Mexico	Wells Fargo	4F, \$0.50 (ATM)	F	F
New York	JPMorgan Chase	\$0.50 (ATM)*	F	\$1.50(12 mos.)
North Carolina	Wells Fargo	\$1.00 (ATM)	F	F

APPENDIX B (cont.)

STATE	ISSUER	DENIED TRANSACTION	OVERDRAFT	INACTIVITY
North Dakota	US Bank	F	F	\$2.00 (365d)
Ohio	US Bank	F	1W, \$17.00*	\$1.50/mo (360d)
Oklahoma	Comerica	2F, \$0.50 (ATM)	F	F
Oregon	US Bank	F	1W, \$17.00*	\$2.00 (180d)
Pennsylvania	Comerica	1F, \$0.50 (ATM)	F	\$1.00 (14 mos.)
Rhode Island	JPMorgan Chase	\$1.00	F	\$1.50 (12 mos.)
South Carolina	Bank of America	4F, \$0.50 (ATM)	F	F
South Dakota	US Bank	F	F	\$2.00 (365d)
Tennessee	JPMorgan Chase	\$0.25*	F	F
Texas	JPMorgan Chase	\$1.00	F	\$1.50 (12 mos.)
Utah	JPMorgan Chase	\$1.00	F	\$1.65 (12 mos.)*
Virginia	Comerica	2F, \$0.50 (ATM)	F	\$1.25 (14 mos.)
West Virginia	JPMorgan Chase	\$1.50	F	\$1.50 (365d)
Wyoming	US Bank	F	F	\$2.00 (365d)

Denied Transaction: Fee for each transaction denied for insufficient funds. ATM indicates the fee is charged only for denied ATM withdrawals, not point-of-service transactions (i.e., purchases).

Overdraft: Fee for each transaction that is paid despite insufficient funds on the card.

Inactivity: Monthly fee charged (after a period of time in days or months) without deposit, purchase, withdrawal or other transaction activity.

F: Free. 4F would indicate four free per month before a fee is charged.

W: Waived if recipient calls and requests a waiver.

*See Appendix E for more details.

Blue indicates the fewest fees.

Red indicates the highest or most frequent fees.

APPENDIX C

INFORMATION FEES AND AVAILABILITY ON UNEMPLOYMENT COMPENSATION PREPAID CARDS

STATE	ISSUER	ATM BAL INQUIRY (in-network)	ATM BAL INQUIRY (out-of- network)	CUST SVC IVR	CUST SVC LIVE	STATEMENT	COMPLETE FEE SCHEDULE AVAILABLE ON STATE WEBSITE
Alabama	Regions Bank	\$0.40	\$0.40	8F, \$0.20	8F, \$0.20*	F	Y*
Alaska	JP Morgan Chase	F	F	4F, \$0.35*	4F, \$0.35*	\$0.95	N
Arizona	JPMorgan Chase	F	\$0.75	8F, \$0.25*	8F, \$0.25*	F	N
Arkansas	US Bank	F	F	F	F	F	N
California	Bank of America	F	F	F	F	F	N
Colorado	JPMorgan Chase	F	\$0.50	6F, \$0.25*	6F, \$0.25*	NA	Y
Connecticut	JPMorgan Chase	\$0.85	\$0.85	5F, \$0.25*	5F, \$0.25*	\$0.95	Y
Florida	Wells Fargo	F	\$0.75	5F, \$0.50*	5F, \$0.50*	NA	Y
Idaho	US Bank	F	F	F	3F, \$3.00	F*	Y
Illinois	Illinois National Bank	\$0.50	\$0.50	F	1F, \$1.25	NA	Y
Indiana	PNC	\$0.50	\$0.50	6F, \$0.50*	6F, \$0.50*	NA	Y
Iowa	Wells Fargo	\$0.50	\$0.50	6F, \$0.40*	6F, \$0.40*	NA	N
Kansas	Citibank	\$0.25	\$0.25	F	F	NA	N
Louisiana	JPMorgan Chase	4F, \$0.75*	4F, \$0.75*	8F, \$0.25*	8F, \$0.25*	F*	N
Maine	JPMorgan Chase	F	F	F	F	\$0.75	Y
Maryland	Citibank	F	F	F	F	NA	N
Michigan	JPMorgan Chase	2F, \$1.00*	\$1.00*	F	F	\$0.95	Y
Minnesota	US Bank	F	F	F	3F, \$3.00	NA*	N
Mississippi	Comerica	3F, \$0.75	\$0.75	5F, \$0.50*	5F, \$0.50*	NA	N
Missouri	Central Trust Bank	F	4F, \$0.50	12F, \$0.50*	12F, \$0.50*	\$1.50	Y
Nebraska	US Bank	F*	F*	F	F	F	N
Nevada	Wells Fargo	1F, \$0.50*	1F, \$0.50*	5F, \$0.35*	5F, \$0.35*	NA	N*
New Jersey	Bank of America	F	F	F	F	NA	Y

APPENDIX C (cont.)

STATE	ISSUER	ATM BAL INQUIRY (in-network)	ATM BAL INQUIRY (out-of-network)	CUST SVC IVR	CUST SVC LIVE	STATEMENT	COMPLETE FEE SCHEDULE AVAILABLE ON STATE WEBSITE
New Mexico	Wells Fargo	F	F	4F, \$0.50	2F, \$1.50	NA	Y
New York	JPMorgan Chase	F	\$0.50	F	F	F	Y
North Carolina	Wells Fargo	F	\$1.00	F	F	NA	Y
North Dakota	US Bank	F	F	F	F	NA	Y*
Ohio	US Bank	F	F	F	F	F	Y
Oklahoma	Comerica	\$0.50	\$0.50	5F, \$0.50*	5F, \$0.50*	NA	Y
Oregon	US Bank	F	F	F	F	F	Y
Pennsylvania	Comerica	\$0.40	\$0.40	5F, \$0.35*	5F, \$0.35*	NA	N*
Rhode Island	JPMorgan Chase	\$0.50	\$0.50	F	F	F*	Y
South Carolina	Bank of America	F	F	F	1F, \$1.50	F	Y
South Dakota	US Bank	F	F	F	F	F*	N
Tennessee	JPMorgan Chase	\$0.40	\$0.40	4F, \$0.10*	4F, \$0.10*	NA	Y
Texas	JPMorgan Chase	F	\$0.50	F	F	F	Y
Utah	JPMorgan Chase	4F, \$0.50*	4F, \$0.50*	F	F	\$1.00	N
Virginia	Comerica	1F, \$0.50	\$0.50	F	F	NA	N
West Virginia	JPMorgan Chase	F	\$0.25	F*	F*	NA	N
Wyoming	US Bank	F	F	F	F	F	N*

ATM Bal Inquiry (in-network): Fee for checking the balance at a network ATM

ATM Bal Inquiry (out-of-network): Fee for checking the balance at an ATM outside the card issuer's network

Cust Svc IVR: Fee for customer service calls using the automated Interactive Voice Response menu

Cust Svc Live: Fee for customer service calls when speaking to a live representative

Statement: Monthly fee for receiving a regular paper statement.

F: Free. 4F indicates four free per month before a fee is charged.

NA: Not available.

*See Appendix E for more details.

Blue indicates the fewest fees.

Red indicates the highest or most frequent fees or a service that should be available but is not.

APPENDIX D

PAYMENT OPTIONS FOR RECEIVING UNEMPLOYMENT COMPENSATION

STATE	ISSUER	DIRECT DEPOSIT	CHECKS	TRANSFER
Alabama	Regions Bank	Y	N	NA
Alaska	JP Morgan Chase	Y	Y	\$0.50-\$0.75*
Arizona	JPMorgan Chase	Y	N	\$0.50-\$0.75*
Arkansas	US Bank	Y	N	NA
California	Bank of America	N	N	F
Colorado	JPMorgan Chase	Y	N	\$0.50-\$0.75*
Connecticut	JPMorgan Chase	Y	N	NA
Florida	Wells Fargo	Y	Y	\$1.50
Idaho	US Bank	Y	N	\$2.00
Illinois	Illinois National Bank	Y	N	NA
Indiana	PNC	N	N	F
Iowa	Wells Fargo	Y	N	NA
Kansas	Citibank	N*	N	F
Louisiana	JPMorgan Chase	Y	N	\$0.50-\$0.75*
Maine	JPMorgan Chase	Y	N	F*
Maryland	Citibank	N	N	F
Michigan	JPMorgan Chase	Y	N	\$0.50-\$0.75*
Minnesota	US Bank	Y	N	NA*
Mississippi	Comerica	Y	N	\$1.50
Missouri	Central Trust Bank	Y	N	\$2.50
Nebraska	US Bank	Y	N	\$2.00
Nevada	Wells Fargo	N	Y	NA
New Jersey	Bank of America	Y	N	F
New Mexico	Wells Fargo	Y	N*	\$15.00
New York	JPMorgan Chase	Y	N	NA
North Carolina	Wells Fargo	Y	N	\$1.50
North Dakota	US Bank	Y	N	NA*

APPENDIX D (cont.)

STATE	ISSUER	DIRECT DEPOSIT	CHECKS	TRANSFER
Ohio	US Bank	Y	N	NA*
Oklahoma	Comerica	Y	N	F
Oregon	US Bank	Y	N*	NA*
Pennsylvania	Comerica	Y	N	\$1.50
Rhode Island	JPMorgan Chase	Y	N	\$0.50-\$0.75*
South Carolina	Bank of America	Y	N	NA
South Dakota	US Bank	Y	N	NA*
Tennessee	JPMorgan Chase	Y	N*	NA
Texas	JPMorgan Chase	Y	N	NA
Utah	JPMorgan Chase	Y	N	\$0.50-\$0.75*
Virginia	Comerica	Y	N	\$1.50
West Virginia	JPMorgan Chase	Y*	Y	NA
Wyoming	US Bank	N	Y	F

Direct deposit: Direct deposit to the consumer's personal bank account.

Checks: Whether or not consumers have the option of being paid by paper check.

Transfer: Fee for transferring funds from the prepaid card to another account.

F: Free.

NA: Not available.

*See Appendix E for more details.

Blue indicates the fewest fees.

Red indicates a service that should be available but is not.

APPENDIX E

STATE WEBSITES AND ADDITIONAL DETAILS

Below are the links to the states' unemployment compensation webpages and, if available, to the fee schedule for the unemployment compensation prepaid card, as well as additional explanatory details for items indicated with an asterisk (*) on the fee charts in Exhibits A through D.

ALABAMA

Card issuer: Regions Bank

State website: <http://dir.alabama.gov/uc/claims.aspx#q7>

Fee information: <https://www.stateofalabamamyaccount.com/index.cfm?pageid=g07&CFID=1&CFTOKEN=A656F991DE3271ACB10B8FC7128A08F2&CFSEQ=1&js=1>

Withdrawals: Alabama allows two free ATM withdrawals per month despite paying benefits weekly, resulting in less than one free ATM withdrawal per deposit for recipients.

Customer service: The fee schedule found on Alabama's website lists the free calls and fees associated with using the automated Voice Response Unit (VRU) but no fee is listed for live customer service calls. The fees and free available calls are presumed to be the same for all customer service inquiries.

Statements and transaction information: Alabama UC recipients may request paper statements. No fee is listed to enroll in this service and we assumed it is free.

Public information: The web address listed above does not take visitors directly to the fee schedule. To reach the fee schedule, visitors must click on the link above, scroll to the bottom of the page, and click on the link "Terms & Conditions." The "Frequently Asked Questions" page is misleading about some of the fees. The answer to a question about funds remaining if the card expires fails to mention that an inactivity fee will be charged and instead instructs cardholders to call a telephone number to receive the remaining funds.

ALASKA

Card issuer: JPMorgan Chase

State website: http://labor.alaska.gov/esd_unemployment_insurance/faq-debit-cards.htm

Fee information: Provided by agency spokesperson and included in [Appendix F](#)

Withdrawals: The fee schedule does not distinguish between fees and free transactions for in-network and out-of-network ATM withdrawals. We assume that the

fee is the same for both types of ATM withdrawals and that either type of withdrawal exhausts the free transactions.

Customer service: All customer service calls, live or automated, are subject to a fee of \$0.35 after the cardholder has called either system four times in a calendar month.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

ARIZONA

Card issuer: JPMorgan Chase

State website: <https://www.azdes.gov/main.aspx?menu=317&id=3875>

Fee information: Obtained by public records request and included in [Appendix F](#)

Withdrawals: Recipients have one free out-of-network ATM withdrawal each week, amounting to roughly four fee-free withdrawals each month.

Customer service: All customer service calls, automated or live, are subject to the same fees and free transactions. Cardholders can make a combination of live and automated calls for free eight times each month before incurring a charge.

Transaction information: Paper statements are free but recipients must request to receive them by mail, otherwise the statement will be sent via e-mail.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

Other fees: Cardholders will be assessed a \$10 fee to close their account if a bank teller issues a check.

APPENDIX E (cont.)

ARKANSAS

Card issuer: U.S. Bank

State website: <http://www.arkansas.gov/esd/ARClaimHelp/arclaimhelp.htm>

Fee information: Obtained through a public records request and included in [Appendix F](#)

Overdrafts: Cardholders will pay a \$20 fee each time they overdraw their account. U.S. Bank will waive this fee once if the customer calls customer service.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We have assumed that such services are not available.

Public information: Arkansas does not have a comprehensive list of fees on the state unemployment insurance website and U.S. Bank did not respond to requests for this information. A public records request from an Arkansas citizen produced the fee schedule.

CALIFORNIA

Card issuer: Bank of America

State website: http://www.edd.ca.gov/About_EDD/The_EDD_Debit_Card.htm

Fee information: <https://prepaid.bankofamerica.com/EDDCard/PRC384/CP384-T03-019/docs/terms.htm>

Prepaid card program: California is just starting to phase in its prepaid card program for unemployment benefits.

Withdrawals: California offers two free out-of-network ATM withdrawals every two weeks, amounting to roughly four free withdrawals a month. A consumer will be charged a fee if he or she uses the four free withdrawals within a two week period instead of staggering the withdrawals over the month.

Method of payment: Recipients receive their benefits on the card first and then can go to their financial institution to set up a recurring or one-time transfer. The state does not direct deposit funds into the recipient's account.

Statements and transaction information: Cardholders may select to receive mailed paper statements after receiving the debit card but it is not provided automatically.

COLORADO

Card issuer: JPMorgan Chase

State website: <http://www.colorado.gov/cs/Satellite/CDLE-UnempBenefits/CDLE/1248095315498>

Fee information: [http://www.colorado.gov/cs/Satellite?c=Document_C&childpagename=CDLE-UnempBenefits%](http://www.colorado.gov/cs/Satellite?c=Document_C&childpagename=CDLE-UnempBenefits%2FDocument_C%2FCDLEAddLink&cid=1251566965920&pagename=CDLEWrapper)

[2FDocument_C%2FCDLEAddLink&cid=1251566965920&pagename=CDLEWrapper](http://www.colorado.gov/cs/Satellite?c=Document_C%2FCDLEAddLink&cid=1251566965920&pagename=CDLEWrapper)

Point-of-sale: Colorado UC recipients incur a \$0.10 fee for each point-of-sale transaction secured by PIN entry, including cash-back transactions. The terms of the card allow two free transactions each month for point-of-sale purchases that are secured by a signature before assessing a \$0.10 fee.

Customer service: All customer service calls are subject to the same limitations, regardless of whether the cardholder speaks to a live customer service representative or utilizes the automated system. UC recipients are entitled to six free calls per month and are charged \$0.25 for any subsequent calls.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain regular paper statements. We have assumed such a service is not available. Cardholders can sign up for free deposit alerts by e-mail, text message, or automated telephone call.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

Other fees: After the consumer stops receiving unemployment benefits, he or she is charged \$12.50 if a bank teller issues a check for the remaining funds on the card.

CONNECTICUT

Card issuer: JPMorgan Chase

State website: <http://www.ctdol.state.ct.us/DirectBenefits/DebitCard.html>

Fee information: <http://www.ctdol.state.ct.us/DirectBenefits/fees.html>

Withdrawals: Connecticut's card program allows one free ATM cash withdrawal per deposit, whether the cardholder uses an in-network ATM or an out-of-network ATM, amounting to roughly four fee-free ATM withdrawals each month.

Customer service: Connecticut's fee schedule does not distinguish automated customer service calls and live customer service calls. Both types of calls are presumed to be subject to the same fees and conditions.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in

APPENDIX E (cont.)

which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

FLORIDA

Card issuer: Wells Fargo (formerly Wachovia)

State website: http://www.floridajobs.org/unemployment/UC_faqs_debitcard.htm

Fee information: http://www.floridajobs.org/unemployment/UC_debit.pdf

Withdrawals: Florida's card program allows one free cash withdrawal from a bank teller per biweekly deposit, amounting to roughly two free withdrawals per month.

Customer service: Wells Fargo grants Florida cardholders five free customer service calls, live or automated, each month.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

IDAHO

Card issuer: U.S. Bank

State website: <http://labor.idaho.gov/dnn/Default.aspx?tabid=681>

Fee information: <http://labor.idaho.gov/pdf/ReliacardFeeSchedule.pdf>

Overdrafts: Idaho's ReliaCard fee schedule indicates that cardholders may overdraw their account one time only without incurring a charge. The fee schedule does not say, as other U.S. Bank materials do, that the cardholder must call customer service to waive the first overdraft but we assume that a call is necessary. We also assume that the website is outdated and that overdraft coverage is optional except for recurring preauthorized transactions.

Statements and transaction information: The state website does not list an account statement but other ReliaCard programs with overdraft fees mail out monthly statements with transaction information. We assume that Idaho cardholders also receive this service.

Transfers to bank account: U.S. Bank assesses a \$2.00 fee to transfer funds from the prepaid UC card to a bank account unless the recipient is transferring the money to another U.S. Bank account.

ILLINOIS

Card issuer: Illinois National Bank

State website: http://www.ides.state.il.us/individual/certify/electronic_payments/default.asp

Fee information: <http://www.ides.state.il.us/pdf/forms/debit/infbro.pdf>

Overdrafts: The Illinois' Department of Employment Security website states that there is a \$15 overdraft fee if users manage to exceed the balance on their card. However, upon calling the Illinois Department of Employment Security directly, a spokesperson confirmed that the bank no longer charges the \$15 fee.

Statements and Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to obtain regular paper statements or to transfer funds to a bank account. We have assumed that such services are not available.

Method of payment: The Illinois Department of Employment Security stated that they encourage claimants to use direct deposit to a bank account rather than the prepaid card. More claimants utilize direct deposit than the prepaid card. The prepaid card is the default option if the claimant does not provide an account number for direct deposit.

INDIANA

Card issuer: PNC Bank

State website: <http://www.in.gov/dwd/2334.htm>

Fee information: <http://www.in.gov/dwd/debit-card/debit-card-fee-table.htm>

Withdrawals: Indiana's card program grants consumers one free cash withdrawal per week at either an ATM or a bank teller window. This amounts to roughly four free cash withdrawals per month. Free withdrawals never expire and accumulate until the recipient performs a transaction.

Denied transactions: PNC charges \$0.25 for denied ATM transactions but waives the fee once per weekly deposit, amounting to roughly four denied transactions per month that will not result in a fee for the cardholder.

Customer service: PNC Bank provides cardholders with two free calls to an automated response unit or live customer service representative each month and one free call for each weekly deposit by the Indiana Department of Workforce Development, resulting in a maximum of six free customer service calls a month.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

APPENDIX E (cont.)

IOWA

Card issuer: Wells Fargo (formerly Wachovia)

State website: <http://www.iowaworkforce.org/ui/guide.htm>

Fee information: https://www.eppicard.com/iaedcclient/pdf/IA_Brochure.pdf

Withdrawals: Iowa UC recipients may withdraw their benefits once per week from an in-network ATM without incurring a charge, and unused withdrawals accumulate. The number of free withdrawals never expires.

Customer service: Cardholders can make six free calls per month to the customer service line, whether they use the automated menu or speak to a live representative, before a \$0.40 fee is incurred. Even after the free calls are exhausted, cardholders may transfer to a live representative at no charge to report a card lost, stolen, or damaged, to request a card replacement, to report difficulties completing a transaction, or to request account error resolution.

Statements and Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

KANSAS

Card issuer: Citibank

State website: <http://www.dol.ks.gov/index.html>

Fee information: <http://www.dol.ks.gov/UI/html/faqsBenefitsCard.html>

Withdrawals: Kansas cardholders can withdraw money from a network ATM without charge for each weekly payment deposited into the account, amounting to roughly four free withdrawals each month. The free withdrawals do not expire and accumulate to the recipient's account for later use. It is not clear whether cardholders can use these free ATM withdrawals at out-of-network ATMs. We have assumed they cannot.

Customer service: Kansas' website repeatedly refers cardholders to call Citibank's customer service line if various circumstances arise but does not list a fee. Presumably, cardholders may call the customer service line an unlimited number of times without incurring a fee.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain regular paper statements. We have assumed that they are not available.

Method of payment: Kansas' UC program does not give recipients the option to direct deposit their benefits into a bank account. But if recipients were receiving their benefits by direct deposit before the card program was implemented, they will continue to receive direct deposit. If benefits are interrupted or a claim is new or reopened, direct deposit will not be an option.

LOUISIANA

Card issuer: JPMorgan Chase

State website: http://www.laworks.net/FAQs/FAQ_UI_ClaimantBenefits.asp

Fee information: Provided by state spokesperson and included in [Appendix F](#)

Withdrawals: UC recipients can withdraw money from an in-network ATM once per weekly deposit before incurring a fee, adding up to roughly four free withdrawals a month.

ATM balance inquiries: Louisiana UC recipients can check their balance free once per weekly deposit at an in-network or an out-of-network ATM before incurring a \$0.75 charge, amounting to roughly four free per month.

Customer service: Louisiana's fee schedule does not distinguish between live and automated customer service inquiries. Both types of calls diminish the number of free calls available and are subject to the same fees.

Statements and transaction information: A fee schedule provided by the Louisiana Workforce Commission lists "no fee" for account statements but does not indicate whether the statement is a regular monthly paper statement or is only available for ad hoc requests.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

MAINE

Card issuer: JPMorgan Chase

State website: <http://www.maine.gov/labor/unemployment/mapcard/faqs.html>

Fee information: <http://www.maine.gov/labor/unemployment/mapcard/fees.html>

Inactivity fee: Maine's fee schedule notes that accounts that are inactive for 180 days will be subject to a monthly fee as long as a balance remains in the account but the amount of the fee is not specified on the state website.

APPENDIX E (cont.)

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free. Maine's website notes that it is free to transfer money using a bank teller but it is unclear whether funds can be transferred to an account outside the bank.

MARYLAND

Card issuer: Citibank

State website: <http://www.dllr.state.md.us/employment/uiidebit.shtml>

Fee information: Provided by state agency and included in Appendix F

Withdrawals: Maryland permits four free cash withdrawals each month at domestic ATMs, which can be used at both in-network and out-of-network ATMs.

Inactivity fee: Citibank assesses a monthly inactivity fee if no transactions have been performed by an account for 180 days. The fee schedule states that the fee is waived for the first six months after the account is opened.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain regular paper statements. We have assumed that such a service is not available.

MICHIGAN

Card issuer: JPMorgan Chase

State website: http://www.michigan.gov/uia/0,1607,7-118-26831_27118-192385--,00.html

Fee information: http://www.michigan.gov/documents/uia/Fee_schedule_FINAL_236570_7.pdf

Withdrawals: For every biweekly deposit, Michigan UC recipients receive one free bank teller cash withdrawal, amounting to two free teller withdrawals a month. Michigan recipients also have two free withdrawals at in-network ATMs for each biweekly deposit, resulting in four free withdrawals each month.

ATM balance inquiries: JPMorgan Chase provides Michigan UC recipients with one free balance inquiry at Allpoint or Chase ATMs every two weeks as long as benefits are added to the account. The fee schedule posted on Michigan's Unemployment Insurance Agency website is unclear on whether the one free biweekly inquiry applies to out-of-network ATMs, stating only that fees and surcharges may apply to such transactions. The

chart assumes that the out-of-network ATM fee does not exceed the \$1.00 specified for in-network ATM balance inquiries.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

MINNESOTA

Card issuer: U.S. Bank

State website: http://www.uimn.org/ui/electronicpay_faq_cost.htm

Fee information: Provided via e-mail, fees listed below

Withdrawals: Teller-assisted withdrawals are free and cash withdrawals at U.S. Bank or MoneyPass ATMs are also free. Out-of-network ATM withdrawals cost \$1.50 per transaction.

Overdrafts: State materials on Minnesota's website list an overdraft fee but the state confirmed that overdrafts were disallowed in July 2010. Cardholders do not have the option for overdraft coverage and pay-at-the-pump is limited to prevent inadvertent overdrafts.

Inactivity fee: After 365 days of inactivity, U.S. Bank will deduct \$2.00 per month as long as the account remains inactive.

Customer service: Online customer service help is free and calls to the Integrated Voice Response (IVR) line are also free. Cardholders may contact a live customer service representative three times each month before incurring a \$3.00 fee for subsequent calls.

Statements and transaction information: The outdated state website lists free paper statements but the state agency did not indicate whether free monthly statements were mailed to cardholders. We have assumed that such a service is not available.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We have assumed that such services are not available.

Bill payment: Beginning in May 2011, Minnesota cardholders will have the option to use a free bill pay feature. A number of other charges accompany the bill pay feature if the cardholder stops payment (\$10.00), needs the bill pay funds returned (\$20.00), requests proof of payment (\$5.00) or asks for bill pay research (\$25.00).

APPENDIX E (cont.)

Public information: The fees listed on Minnesota's Unemployment Insurance website are incomplete and out-of-date.

MISSISSIPPI

Card issuer: Comerica

State website: <http://www.mdes.ms.gov/Home/index.html>

Fee information: https://www.eppicard.com/msedclient/pdf/MS_Disclosure_Statement.pdf

Customer service: Cardholders may call customer service five times each month to check their card balance or to hear the transaction history. After the free calls are used, Comerica charges \$0.50 for subsequent calls. The disclosure agreement does not distinguish between automated and live customer service calls.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

Public information: Mississippi's Department of Employment Security does not post fee information; in fact, the state website does not include any information about the debit card as a payment option.

MISSOURI

Card issuer: Central Trust Bank

State website: http://www.labor.mo.gov/DES/Claims/faqs_web.asp

Fee information: <http://www.labor.mo.gov/DES/Forms/DESMOAccessHowToBrochure42810.pdf>

Withdrawals: Every week, recipients may perform one free out-of-network ATM cash withdrawal, resulting in four free withdrawals a month.

ATM balance inquiries: Recipients are allotted one free balance inquiry at an out-of-network ATM each week before incurring a \$0.50 charge, amounting to four free out-of-network balance inquiries each month.

Customer service: UC recipients may make three free calls each calendar week. Subsequent calls cost \$0.50. The fee schedule lists information only for automated customer service calls and we assume that calls to live representatives are subject to the same terms and fees as automated calls.

NEBRASKA

Card issuer: U.S. Bank

State website: <https://uibenefits.nwd.ne.gov/BPSWeb/jsp/BPSClaimantWelcome.jsp>

Fee information: <http://www.hhs.state.ne.us/fis/ClaimsProcessing/ReliaCardQ&A.pdf>

Overdrafts: A state employee said that typically the first overdraft was waived if the cardholder called Reliacard's customer service line to discuss how the card became overdrawn. State materials note that overdraft coverage is optional.

ATM balance inquiries: The fee schedule posted on Nebraska's Health and Human Services website informs cardholders they may check their balance using an ATM but does not list a fee for this service. We have assumed that Nebraska follows other U.S. Bank states and does not impose a service charge for this feature.

Public information: Nebraska's Department of Labor does not post a list of fees on their website. However, Nebraska's Department of Health and Human Services does have the Reliacard fees posted and the program has the same terms and conditions statewide.

NEVADA

Card issuer: Wells Fargo (formerly Wachovia)

State website: <http://www.nvdetr.org/esd.htm>

Fee information: https://www.eppicard.com/nvedclient/pdf/NVCard_Disclosure.pdf

ATM balance inquiries: Cardholders are allowed one ATM balance inquiry per month which can be used at either an in-network or out-of-network ATM.

Customer service: Cardholders can make five free calls per month to the customer service line, whether they use the automated menu or speak to a live representative, before a \$0.35 fee is incurred.

Method of payment: Benefits can be paid by check if a recipient requests this method of payment.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

Public information: Nevada's Unemployment Insurance Claimant Handbook, available on the state website, includes most of the fees on the debit card with the exception of charges for customer service calls after the five free calls are used each month.

NEW JERSEY

Card issuer: Bank of America

State website: http://lwd.dol.state.nj.us/labor/ui/content/debit_card_faq.html

APPENDIX E (cont.)

Fee information: http://lwd.state.nj.us/labor/forms_pdfs/ui/debit_cards.pdf

Transfers to bank account: Transfers are not mentioned in the materials on New Jersey's website but when directly contacted an employee noted that this is a feature of the cards. Cardholders will not be charged for this service.

NEW MEXICO

Card issuer: Wells Fargo (formerly Wachovia)

State website: <http://www.dws.state.nm.us/new/UI/debitcard.html>

Fee information: <http://www.dws.state.nm.us/docs/wellsfargoeng.pdf>

Withdrawals: Recipients can perform one in-network ATM withdrawal per each weekly benefit deposit, amounting to roughly four free withdrawals per month as long as the claim remains active. Cardholders also may withdraw cash once per weekly deposit from a bank teller before incurring a \$10 fee.

Denied transactions: Wells Fargo waives the first fee for a denied ATM request each week. After the first waiver, \$0.50 is deducted from the account for each additional denied transaction.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

NEW YORK

Card issuer: JPMorgan Chase

State website: <http://www.labor.ny.gov/directpaymentcard/index.shtm>

Fee information: <http://www.labor.ny.gov/directpaymentcard/fees.shtm>

Denied transactions: New York's denied transaction fee does not apply to denials that occur at in-network ATMs.

Other fees: Cardholders will be charged \$12.50 to receive the remaining funds on their account by check.

NORTH CAROLINA

Card issuer: Wells Fargo (formerly Wachovia)

State website: <http://www.ncesc1.com/individual/default.asp>

Fee information: <http://www.ncesc1.com/individual/DebitCardFees.asp>

Withdrawals: North Carolina UC recipients have two free cash withdrawals at participating banks each week that

benefits are deposited onto their card, resulting in eight free bank teller withdrawals each month. Free cash withdrawals expire at the end of each month.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

NORTH DAKOTA

Card issuer: U.S. Bank

State website: <http://www.jobsnd.com/>

Fee information: <http://www.state.nd.us/jsnd/docs/debitcard/faq.pdf>

Overdrafts: A state employee confirmed that the North Dakota program does not allow overdraft charges. Optional overdraft coverage is also not available. The state eliminated the possibility of inadvertent overdrafts by disallowing "pay at the pump" at gas stations. Cardholders must pre-pay inside the gas station to be sure that the full amount of the transaction will be covered by available funds.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We have assumed that such services are not available.

OHIO

Card issuer: U.S. Bank

State website: <http://jfs.ohio.gov/ouc/debitcardinfo.STM>

Fee information: http://jfs.ohio.gov/ouc/ReliaCard_FactSheet.pdf

Overdrafts: Materials on Ohio's Job and Family Services Department website do not indicate whether U.S. Bank asks customers to opt-in to overdraft coverage but we assume that overdraft coverage is primarily opt-in as it is in other U.S. Bank states. Materials state that the cardholder's account is charged \$17 for each overdraft but that the fee will be waived one time if cardholders contact customer service to discuss how the account became overdrawn.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We have assumed that such services are not available.

OKLAHOMA

Card issuer: Comerica

State website: http://www.ok.gov/oesc_web/Services/Unemployment_Insurance/UI_Claimant_Info.html

APPENDIX E (cont.)

Fee information: http://www.ok.gov/oesc_web/documents/OK_UI_FAQ_10-09_Web.pdf

Customer service: The disclosure statement for Oklahoma's prepaid card lists a fee only for using the automated unit but does not specify if the fees extend to live customer service support; we assume that it does.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

Transfers to bank account: A Comerica spokesperson confirmed that Oklahoman cardholders can make free transfers to a checking or savings account.

OREGON

Card issuer: U.S. Bank

State website: <http://www.employment.oregon.gov/>

Fee information: http://www.oregon.gov/EMPLOY/UI/ui_payment_options.shtml

Overdrafts: Materials on the state website note that overdraft coverage is an optional service.

Method of payment: An unemployed worker will receive his or her first week of benefits by check but subsequent payments will be placed on a debit card or direct deposit. If a worker does not apply for direct deposit, he or she will automatically receive a debit card.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We have assumed that such services are not available.

PENNSYLVANIA

Card issuer: Comerica

State website: http://www.uc.pa.gov/portal/server.pt/community/uc_pa_gov/11449/payment/567364

Fee information: https://www.eppicard.com/paedcuiclient/pdf/PAUI_Disclosure_Statement.pdf

Withdrawals: Pennsylvania's card agreement allows for one free in-network ATM withdrawal each week, approximately four free each month.

Customer service: Cardholders can make five free calls per month to the customer service line, whether they use the automated menu or speak to a live representative, before a \$0.35 fee is incurred. The disclosure agreement notes that a fee will never be charged for customer inquiries related to questionable transactions or to report a lost or stolen card.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain automatic, monthly paper statements. We have assumed that such a service is not available.

Public information: Pennsylvania's Department of Labor & Industry does not post a fee schedule on its website but notes that current fee information can be accessed on the Eppicard.com website and provides a link to the page.

RHODE ISLAND

Card issuer: JPMorgan Chase

State website: <http://www.dlt.state.ri.us/ui/Welcometoepc.htm>

Fee information: <http://www.dlt.state.ri.us/ui/epcFeeSchedule.htm>

Withdrawals: Recipients are allotted one free ATM withdrawal (in-network or out-of-network) and one free withdrawal from a bank teller per weekly benefit deposits, resulting in approximately four per month.

Point-of-sale: Rhode Island UC recipients have an unlimited number of free point-of-sale transactions secured by a signature but are charged \$0.25 for each point-of-sale transaction secured by PIN entry, including cash-back requests.

Statements and transaction information: A Chase disclosure on Rhode Island's website states that cardholders will be sent monthly statements showing account activity. No fee is listed for this service.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

SOUTH CAROLINA

Card issuer: Bank of America

State website: <http://dew.sc.gov/claim-check.asp>

Fee information: <https://secure.sces.org/PDIC/DebitCardFeeSchedule.htm>

Withdrawals: Bank of America will waive the fee for one in-network ATM cash withdrawal each week and one teller withdrawal each week, resulting in four fee-free cash withdrawal transactions each month at an ATM and teller.

Denied transactions: Bank of America waives one denied transaction fee each week for South Carolina UC recipients, amounting to approximately four free each month.

APPENDIX E (cont.)

If denied transactions exceed one each week, cardholders are charged \$0.50 for each additional denial.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We assume that transfers are available, as they are on the other Bank of America cards.

Other fees: The bank permits users to perform an “Emergency Cash Transfer” that sends funds through Western Union. This service costs \$15.00.

SOUTH DAKOTA

Card issuer: U.S. Bank

State website: <http://dol.sd.gov/ui/uibenefits.aspx>

Fee information: <http://dol.sd.gov/ui/reliacardfaqs.pdf>; provided by state and included in Appendix F

Overdrafts: A state employee confirmed that overdrafts are no longer allowed and overdraft fees are no longer charged. The fee information listed on the state website is not current. The state eliminated the possibility of inadvertent overdrafts by disallowing “pay at the pump” at gas stations. Cardholders must pre-pay inside the gas station to be sure that the full amount of the transaction will be covered by available funds.

Public information: In addition to the outdated information on overdraft fees, the state website also does not list various fees associated with bill pay.

Statements and transaction information: U.S. Bank will send mobile alerts free of charge. Cardholders can also perform a balance inquiry over the phone but the cell phone carrier may charge a fee for this service. We could not confirm whether cardholders could sign up for free paper statements but we assume that South Dakota follows the pattern of other ReliaCard states and that this is an option.

Transfers to bank account: Neither the state website nor the fee schedule makes any mention of the ability to transfer funds to a bank account. We have assumed that such services are not available.

TENNESSEE

Card issuer: JPMorgan Chase

State website: <http://www.tn.gov/labor-wfd/uiidebitcard/>

Fee information: http://www.tn.gov/labor-wfd/uiidebitcard/fee_information.html

Withdrawals: Cardholders are charged \$1.00 for the first two ATM cash withdrawals each month, regardless of whether the withdrawals are performed at an in-network

or out-of-network ATM. After two withdrawals, each subsequent withdrawal costs \$0.60.

Point-of-sale: Tennessee UC recipients have an unlimited number of free point-of-sale transactions secured by a signature but are charged \$0.25 for each point-of-sale transaction secured by PIN entry. Presumably cash-back transactions performed at a cash register also cost \$0.25.

Overdrafts and denied transactions: Tennessee’s Department of Labor and Workforce Development website lists a \$0.25 overdraft or negative balance fee. A spokesperson from JPMorgan Chase confirmed that the bank does not assess overdraft fees on any prepaid UC accounts. The Tennessee Department of Labor confirmed that it is not an overdraft fee but a denied transaction fee for ATM and POS transactions that exceed the account balance.

Customer service: Cardholders can make four free calls per month to the customer service line, whether they use the automated menu or speak to a live representative, before a \$0.10 fee is incurred.

Statements and transaction information: Neither the state website nor the fee schedule makes any mention of the ability to obtain regular paper statements. We have assumed that such a service is not available.

Method of payment: Some claimants in Tennessee will still be able to receive checks but the Department is phasing out this method of payment some time in 2011.

Transfers to bank account: The website materials state that fund transfers are allowed but the transfer is not an electronic transfer from one bank account to another. The website instructs recipients to physically withdraw cash from their account and deposit it into another account.

TEXAS

Card issuer: JPMorgan Chase

State website: <http://www.twc.state.tx.us/ui/bnfts/claimant4.html#payments>

Fee information: <http://www.twc.state.tx.us/ui/uiidebitfaq.pdf>

Withdrawals: Texas UC recipients can perform an unlimited number of free withdrawals at Chase-branded ATMs but are only allotted one free out-of-network ATM withdrawal every deposit (benefits are generally paid every two weeks) at all other ATMs (including Allpoint) before incurring an out-of-network ATM fee of \$1.50. Recipients are allotted one free withdrawal from a bank teller every deposit.

Transfers to bank account: Texas’ prepaid cards cannot complete an electronic funds transfer. Recipients are

APPENDIX E (cont.)

told to physically withdraw cash from their account and deposit it into another account using a bank teller.

UTAH

Card issuer: JPMorgan Chase

State website: <https://jobs.utah.gov/ui/ContinuedClaims/UIAccountHome.aspx>

Fee information: Provided by state employee and included in [Appendix F](#)

Withdrawals: JPMorgan allots one free ATM withdrawal per weekly deposit, amounting to roughly four free each month. The fee schedule provided by the state did not distinguish between in and out-of-network ATMs and it is assumed that the free transactions and fees apply to both networks. Utah's program is unique in allowing one free bank teller withdrawal from a member bank once per deposit and also one free bank teller withdrawal from a non-member bank.

Inactivity fee: The list of fees provided did not indicate how long the card had to be inactive before an inactivity fee starts deducting from the account. Other JPMorgan card programs with inactivity fees start charging after twelve months or 365 days of inactivity. Utah's card is presumed to have the same terms.

ATM balance inquiries: Cardholders may perform an ATM balance inquiry once per weekly deposit, resulting in roughly four per month. The list of fees does not distinguish between in and out-of-network balance inquiries and it is assumed that the free transactions and fees apply to both.

Public information: Utah's Department of Workforce Services does not post a public fee schedule on their state website although one may be available to claimants through the secure portal the website hosts for UC accounts.

Transfers to bank account: The ability to transfer funds to a bank account is a new service not disclosed on the available fee schedules and is not available in all states in which Chase issues prepaid cards. Chase charges \$0.50 to \$0.75, depending on the state, to transfer funds to a non-Chase account. Transfers to a Chase account are free.

VIRGINIA

Card issuer: Comerica

State website: <http://www.vec.virginia.gov/vecportal/index.cfm>

Fee information: https://www.eppicard.com/vaedcclient/pdf/VA_Client_Brochure.pdf

Statements and transaction information: The fee schedule notes that free statements are available by requesting one from a customer service representative but it appears that Comerica will not automatically mail monthly paper statements.

WEST VIRGINIA

Card issuer: JPMorgan Chase

State website: http://www.wvcommerce.org/business/workforcewv/unemployment_compensation/claimants/debit_card.aspx

Fee information: Provided by state employee and included in [Appendix F](#)

Customer service: The fee schedule provided by WorkForce West Virginia did not list a fee for calling customer service; such calls are presumed to be free.

Public information: West Virginia does not have a fee schedule posted on their state website. The state website does provide information on ways to avoid card fees but does not specify the amount of charges when they are incurred with the exception of the denied transaction fee.

Method of payment: According to the state, WorkForce West Virginia plans to offer direct deposit services around mid-April 2011.

WYOMING

Card issuer: U.S. Bank

State website: <http://doe.wyo.gov/workers/helpfaq/Pages/ReliaCardVisa.aspx>

Fee information: Provided by state employee and included in [Appendix F](#)

Overdrafts: A state employee confirmed that cardholders can no longer incur overdraft fees. Information listed on Wyoming's website showing an overdraft fee is out of date. Optional overdraft coverage is also not available on the cards.

Public information: The fees listed in the FAQ on the state website, in addition to being inaccurate about the overdraft fee, do not list various fees associated with bill pay.

Method of payment: Benefits can be paid by check if a recipient requests this method of payment.

APPENDIX F1

ALASKA FEE SCHEDULE*

UI Debit Card Fact Sheet

Who gets a debit card?

Beginning April 28, 2009 claimants who file a new claim against Alaska or who receive a monetary redetermination will automatically be enrolled in the JP Morgan Chase (“Chase”) Visa debit card program—unless the claimant has selected Direct Deposit as their method of payment. Claimants will be notified on their Pending BYE notice (Pinfeed 0201). Once enrolled in the debit card program, claimants will receive an enrollment pinfeed (Pinfeed 2047). Information will also be provided on the Department’s website and on BIF.

Card Issuance

Enrolled claimants will be mailed a Welcome packet from Chase that includes: Welcome letter; Visa Debit Card; User Agreement; and Instructional brochure. Claimants should receive these materials within a week of filing their new claim. Any cards that are undeliverable will be returned to Chase. Advise claimant to contact Chase with new address so card can be reissued.

Activation Process

Claimant must activate their debit card before using it by calling the Chase toll-free number: 1-866-711-1860. Claimant will need to create a 4-digit PIN to use their card, and a 6 digit access number for calling Chase customer service. Complete information and instructions will be provided in the claimant’s welcome package.

Payment

UI payments will be deposited on debit card immediately upon filing biweekly claim certification.

Card Features

- Up to 2 free ATM cash withdrawals per month at Chase and Allpoint ATMs
- Can be used at grocery stores, gas stations – anywhere Visa is accepted
- Internet access to account information at www.myaccount.chase.com
- Withdraw up to the balance available in account, or the maximum allowed by the ATM.

Fees

- \$1.50 charge by Chase AFTER second free withdrawal per month
- Convenience fee set by ATM owner if not using Chase or Allpoint ATM
- See Fee Schedule below for other fees

Card Expiration

Cards will expire within 3 years from date of issuance. A new card will be automatically issued within 30 days of the current card expiration date.

Customer Service—toll free number: 1-866-711-1860

Claimants may obtain account balance information, transaction history, PIN services, lost or stolen card assistance via the web or by calling JP Morgan’s customer service toll-free number 24/7.

Paper Checks

Paper checks will still be available to those claimants who are unable to utilize the debit card or direct deposit, determined on a case-by-case basis after contact from the claimant. (See procedure for issuing paper checks.)

* As provided to NCLC by the state or card issuer.

APPENDIX F1 (cont.)

General Information

The U Card is a debit card intended only for the payment of benefits issued by the Alaska Unemployment Insurance Program. Personal deposits cannot be made to the U Card.

In May of 2009, postcards promoting the debit card will be mailed to all current UI filers. Additionally, the postcards and a poster will be distributed to all ES offices. Eventually all claimants who are able to utilize a debit card in their area will receive one unless they select direct deposit as their method of payment.

Chase Fee Schedule

Cardholder Service (Fee Description)	Fee Amount
ATM cash withdrawals	2 free withdrawals (anywhere) per month. 3 or more = \$1.50. (Some ATM owners and operators may charge an additional fee per transaction. There are no surcharges at Chase and Allpoint ATM's.)
International Balance Inquiry	\$.40 per transaction for balance inquiries at any ATM
Denied transaction	\$.50 per denied transaction (This fee will be assessed if an ATM or Point-of-Sale transaction is denied due to insufficient funds in a Chase DPC account.)
Over the counter cash withdrawals at participating banks	\$5.00 per transaction
Inactive account	\$1.50 per month after 12 months (A monthly fee will be assessed on each Chase payment account that has been inactive for 365 days.)
Card replacement	One free card replacement per calendar year; \$5.00 per card thereafter
Expedited card delivery	\$17.50 per card
International ATM withdrawal	\$3.00 per transaction (some banks may charge an additional fee per transaction)
Check issuance to close account	\$12.50 per check
Currency conversion	3% per foreign currency transaction
Monthly account statement	Free through MyAccount.com or; \$.95 for a paper statement (statements may not be provided if a Chase payment card account becomes inactive)
Bill Pay	\$.75 per payment item
Access to customer service representatives	First 4 calls no charge, 5th call or more (per month) = \$.35 per call

APPENDIX F2

ARIZONA FEE SCHEDULE*

Service/Transaction	Total Cost to Cardholder
ATM Cash Withdrawal¹	
—at Chase ATMs	Free
—at all other ATMs	1 free per week, each thereafter
—at ATMs outside the U.S.	\$3.00 each
ATM Balance Inquiry	
—at Chase ATMs	Free
—at all other ATMs	\$0.75 each
Retail Purchase	
—with signature	Free
—with PIN (includes cash back)	Free
Teller-assisted Withdrawal at Visa Member Bank	Free
Online Bill Payment at www.myaccount.chase.com	Free
Transaction Denied for Insufficient Funds	Free
Deposit Notification via My Alerts	Free
Customer Service—web	Free
Customer Service—phone	8 free per month, \$0.25 each thereafter
Card Replacement—standard delivery	1 free per year; \$5.00 each thereafter
Card Replacement—expedited delivery	\$15.00 per card
Account statement—web	Free
Account statement—mail	Free, but default to e-statement
Foreign Currency Conversion	3% of transaction
Inactive Account ²	\$1.50 per month
Account Closure with Check Issuance	\$10.00 per check

¹ Some ATM owners and operators may charge an additional fee per transaction, called a surcharge. There are no surcharges at Chase ATMs.

² A monthly fee will be assessed on each Account that has been inactive for 365 days. Fee is not assessed during periods of activity. Account activity is defined as a deposit, withdrawal, purchase or any type of financial activity.

* As provided to NCLC by the state or card issuer.

APPENDIX F3

ARKANSAS FEE SCHEDULE*

Pricing

The U.S. Bank ReliaCard Program will be **developed, implemented, and managed at NO COST to the Arkansas Department of Workforce Services; provided, that ADWS will be required to pay normal ACH fees.**

Neither ADWS nor Cardholders will be charged a monthly account maintenance fee, and numerous funds access opportunities will be provided free of charge.

Services to be provided free of charge to ReliaCard Cardholders include

- **Unlimited** Visa debit (signature-based) pas transactions at 25 million Visa merchants worldwide—including **43,984 in Arkansas**
- **Unlimited** Interlink (PIN-based) POS transactions—with fee-free ‘cash back’ at participating merchants—including **9,888 in Arkansas**
- **Unlimited** fee and surcharge-free cash withdrawals at over 11,300 US Bank and MoneyPass-branded ATMs across the country—including **94 in Arkansas**
- **Unlimited** fee and surcharge-free cash withdrawals at over 57,000 bank and credit union tellers that accept Visa at their teller window—including more than **11,400 in Arkansas**
- **Unlimited** IVR and live representative customer service calls
- **Unlimited** balance inquiries at any U.S. Bank or Plus ATM—including **2,688 in Arkansas**
- **Unlimited** use of the ReliaCard website
- **Unlimited** Card replacement services (via regular mail)

Cardholder Fee Schedule

Account Enrollment and Maintenance

Fee Description	Fee	Comment
Initial Card Issuance	\$0.00	With no monthly account maintenance fee, the U.S. Bank ReliaCard Program can be a completely cost-free Program for Cardholders
Initial Card Issuance	\$0.00	
Monthly Account Maintenance Fee	\$0.00	

Point of Sale (POS) Transactions

Fee Description	Fee	Comment
Visa debit (signature-based)	\$0.00	U.S. Bank will never charge a fee for any point of sale transaction. Cardholders are free to perform as many signature-based (Visa) or PIN-based (Interlink) transactions as they choose at no cost. PIN-based POS transactions <i>with “cash back” are also free of charge.</i>
Interlink (PIN-based)	\$0.00	

* As provided to NCLC by the state or card issuer.

APPENDIX F3 (cont.)

Cash Withdrawal Transactions

Withdrawal Location	Fee Charged by U.S. Bank	Fee Charged by ATM owner/teller/merchant	Comment
US Bank ATMs	\$0.00	\$0.00	<ul style="list-style-type: none"> • 47 US Bank ATMs in Arkansas • Nearly 5,000 nationwide
Moneypass ATMs**	\$0.00	\$0.00	<ul style="list-style-type: none"> • 47 Moneypass ATMs in Arkansas • Over 7,000 nationwide

The U.S. Bank ReliaCard solution provides unlimited free access to **94 ATMs** across the State

Cardholders will not be charged by either U.S. Bank or the ATM owner when they utilize U.S. Bank and/or Moneypass ATMs.

****U.S. Bank provides completely free access to Moneypass ATMs by forgoing any service charge.**

All "other" ATMS including Visa/PLUS (millions worldwide)	\$1.50	Determined by ATM owner	<ul style="list-style-type: none"> • Applies only to non-U.S. Bank or non-Moneypass terminals • Typical surcharges levied by "other" ATM owners: \$1.50–\$2.00
Teller-based cash withdrawals at Visa-branded banks and credit unions	\$0.00	\$0.00	<ul style="list-style-type: none"> • Not limited to U. S. Bank branches • Over 1,400 locations in Arkansas • Over 57,800 locations nationwide
"Cash back" at point of sale (Interlink)	\$0.00	\$0.00	Available at any Interlink merchant that offers "cash back" access to customers

Customer Service and Miscellaneous Fees

Fee Description	Fee	Comment
Unlimited Web-based Account Access	\$0 .00	www.reliacard.com
Unlimited VRU-based Account Access	\$0 .00	Toll free @ 866-276-5114
Live Representative Account Access	\$0 .00	Toll free @ 866-276-5114
ATM Balance Inquiries	\$0 .00	Unlimited free balance inquiries at all U.S. Bank, Moneypass, or Plus-branded ATMs
Monthly Statement	\$0 .00	Paper statement mailed directly to Cardholder
Account Overdraft	\$20.00	<ul style="list-style-type: none"> • Waived for the first occurrence provided Cardholder calls ReliaCard customer service. • Customer service representative will use call to educate Cardholder as to how to avoid overdrafts in the future

APPENDIX F3 (cont.)

Fee Description	Fee	Comment
Monthly Inactivity	\$0 .00	<ul style="list-style-type: none">• Fee is triggered only after 365 days of inactivity (no POS or ATM trans., no balance inquiries and no deposits).• The fee does not apply to accounts with \$0.00 (or negative) balances
Declined ATM transactions	\$0 .00	
Standard Card Replacement	\$0 .00	Replacement Cards delivered within 3 to 5 USPS mail days
Emergency Card Replacement	\$13 .00	Emergency Cards delivered within 2 Business Days

APPENDIX F4

LOUISIANA FEE SCHEDULE*

Fees Paid by State	
Price for ACH Credit Transaction	No Fee
Fees Paid by Cardholder	
Account Enrollment	No fee
Account Maintenance	No fee
ATM Surcharge	No surcharge Chase or All point ATM locations
Point-of-Sale PIN-Based Transaction	No fee
Point-of-Sale Signature-Based Transaction	No fee
Account Statement	No fee
Telephone Balance Inquiry	No fee
Web Balance Inquiry	No fee
ATM Balance Inquiry	One free transaction per deposit and \$0.75 thereafter
ATM Withdrawal	One free withdrawal per deposit; \$1.50 per withdrawal there after with an accumulation of no more than 4 withdrawals
Denied Transaction	\$0.75 per transaction
Customer Service—web	No fee
Customer Service—phone	8 Free per month and \$0.25 each thereafter.
Cash Advance at any participating Visa Member Bank	1 Free per month \$4.00 per transaction thereafter
Inactive Account Fee	\$1.50 per month after 365 days
Card Replacement	One free replacement card per calendar year, \$5.00 per card thereafter
Card Delivery by US Mail	No fee
Card Delivery by Overnight Courier	\$15.00 per card
International ATM Withdrawal	\$3.00 per transaction
International ATM Balance Inquiry	\$1.00 per transaction
Currency Conversion	3% per foreign currency transaction
Account Closure with Check Issuance	\$10.00 per check.

* As provided to NCLC by the state or card issuer.

APPENDIX F5

MARYLAND FEE SCHEDULE[†]

Card Usage Fee Schedule	Fee	Customer Service Fee Schedule	Fee
Domestic ATM Cash Withdrawal (First Four per Month)	No Fee	PIN Reset/change	No Fee
Additional Domestic ATM Cash Withdrawal (5th and subsequent withdrawal per month)	\$1 .50	Website	No Fee
Bank-Teller Cash Withdrawal	No Fee	Text Notifications to Cell Phone	No Fee
Point-of-Sale Purchase (Signature transactions)	No Fee	Email Customer Service	No Fee
Point-of-Sale Purchase (PIN-based, including cash-back)	No Fee	IVR Customer Service (per IVR call)	No Fee
Internet and Telephone Purchase	No Fee	Live Operator Customer Service	No Fee
Paying Bills	No Fee	Replacement Card (per card)**	\$5.00
ATM Balance Inquiry	No Fee	Expedited Replacement Card (per card)	\$12.95
Monthly Account Maintenance* on Inactive Cards (waived for initial 6 months after the account is issued)	\$3.00	Replacement Card (International)	\$12.95
ATM/Point of Sale Decline	No Fee		
International ATM Withdrawal	\$3.00		
International Currency Conversion Fee	1.5%		

*Billed monthly to inactive accounts until the balance reaches \$0.00. An inactive account is defined as an account that still has funds in it and has not received a payment or completed a transaction in 180 days.

**First card replacement is free over the two-year life of the card.

[†] As provided to NCLC by the state or card issuer.

APPENDIX F6

SOUTH DAKOTA FEE SCHEDULE*

The current ReliaCard Fee Schedule is:

- Teller Withdrawal—Free at any Visa participating bank.
- ATM Withdrawal—Free at U.S. Bank or MoneyPass, \$1.25 at all others;
- Point of sale transactions and cash back—Free
- Customer Service—Free
- Inactivity—\$2.00 per month beginning the 366th day of inactivity;
- Card Replacement= Free
- Expedited Card Replacement—\$15.00;
- Bill Pay Transaction—\$0.99; (free bill pay launching in May)
- Bill Pay Stop Payment—\$10.00;
- Bill Pay Return—\$20.00;
- Bill Pay Proof of Payment Request—\$5.00;
- Bill Pay Research—\$25.00;
- Mobile Alert—Free (standard messaging charges apply through mobile carrier); and
- Mobile Balance Inquiry—Free (standard messaging charges apply through mobile carrier).

The current ReliaCard conditions, i.e. transaction limitations, are:

- Limitations on frequency of transfers:
 - o Allowed only 10 cash withdrawals from an ATM each day;
 - o Allowed only 2 cash advances from a financial institution each day;
 - o Allowed only 10 transactions per day of US Bank's point-of-sale transfer service; and
 - o Allowed only 10 transaction per day of US Bank's point-of-sale transfer service using a PIN; and
- Limitations on dollar amounts of transfers:
 - o Allowed to withdraw up to \$1,000.00 from an ATM each day;
 - o Allowed to withdraw up to \$1,000.00 from a financial institution each day;
 - o Allowed to purchase up to \$3,000.00 worth of goods or services using US Bank's point-of-sale service each day;
 - o Allowed to purchase up to \$2,000.00 worth of goods or services using US Bank's point-of-sale service using a PIN each day; and
 - o Allowed to pay bills up to \$1,500.00 for a single transaction payment and up to \$2,500.00 daily using US Bank's Bill Pay service.

* As provided to NCLC by the state or card issuer.

APPENDIX F7

UTAH FEE SCHEDULE*

Debit Card Fees		
ATM Cash Withdrawal Fee	\$1.50	Fee applies after one free per deposit
ATM Balance Inquiry	\$0.50	Fee applies after one free per deposit
ATM Surcharge at Member and Nonmember Banks	\$3.00	
International ATM Transaction Fee	\$3.00	
ATM Denial Fee	\$1.00	
Bank Teller Withdrawal Fee at Member Bank	\$4.00	Fee applies after one free per deposit
Bank Teller Withdrawal Fee at Non-Member Bank	\$4.00	Fee applies after one free per deposit
Replacement Card Fee	\$7.50	Fee applies after one free replacement card per year
Additional Card Replacement Fee	\$7.50	
Expedited Card Fee	\$17.50	
Monthly Inactivity Fee	\$1.65	
Currency Conversion	3.00%	
International ATM Balance Inquiry	\$1.50	
POS Denial Fee	\$1.00	
Paper Statements	\$1.00	
Online Banking Transaction	\$0.75	

* As provided to NCLC by the state or card issuer.

APPENDIX F8

WEST VIRGINIA FEE SCHEDULE*

Workforce West Virginia Debit Card Fees

Service	Fee
ATM Cash Withdrawal	
1. at CHASE ATMs	FREE
2. at all other ATMs (including Allpoint and WesBanco) ¹	\$2.75 each
3. at ATMs outside the U.S. ²	\$3.00 each
ATM Balance Inquiry	
4. at CHASE ATMs	FREE
5. at all other ATMs	\$0.25 each
6. at ATMs outside the U.S.	\$1.00 each
Retail Purchase	
7. with signature	FREE
8. with PIN (includes cash back)	FREE
Teller-assisted Withdrawal at a Visa Member Bank	FREE
Online Bill Payment at www.myaccount.chase.com	\$0.75 each
Transaction Denied for Insufficient Funds ³	\$1.50 each
Card Replacement-standard delivery	FREE
Card Replacement-expedited delivery (FEDEX)	\$12.50 each
Foreign Currency Conversion	3% of transaction
Inactive Account ⁴	\$1.50 per month (after 365 days/with a balance left on card)

¹ Some ATM owners and operators may charge an additional fee per transaction. There are no surcharges at Chase, Allpoint and WesBanco ATMs. Transaction fees will apply at Allpoint and WesBanco ATMs.

² Some banks may charge an additional fee per transaction

³ This fee will be assessed if an ATM or pas transaction is denied due to insufficient funds in your Account. A monthly fee will be assessed on each Account that has been inactive for 365 days and has a balance. Fee is not assessed during periods of activity. Account activity is defined as a deposit, withdrawal, purchase or any type of financial activity.

* As provided to NCLC by the state or card issuer.

APPENDIX F9

WYOMING FEE SCHEDULE*

Cardholder Fee Schedule, Unemployment Insurance, dated 11/04/09

The following fee schedule applies to Consortium programs that have decided not to charge an overdraft fee:

Fee Description	# of "No Charge" Transactions	# of Fee Transactions	Explanation
Cardholder Fees			
Initial card issuance	Unlimited	None	
Monthly Account Maintenance	Unlimited	None	
Point of Sale Transactions			
Visa or MasterCard debit (signature-based)	Unlimited	None	U.S. Bank will never charge for a POS transaction, including POS declines
PIN-based	Unlimited	None	
Cash Access Transactions			
ATM Withdrawal Surcharge (in network)	Unlimited	None	U.S. Bank & MoneyPass ATMs (17,000+ U.S. locations)
ATM Withdrawal Surcharge (out of network)	None	All	Surcharges are controlled by the ATM owner. Typical surcharges are \$1.50 to \$2.00. Sometimes ATM owners waive surcharges as a method to increase customer traffic.
ATM Withdrawal Service Charge (in network)	Unlimited	None	U.S. Bank & MoneyPass ATMs (17,000+ U.S. locations)
ATM Withdrawal Service Charge (out of network)	None	\$1.25 each	409,000 Visa/PLUS branded ATMs nationwide. ATM owner-imposed surcharge may still apply.
Visa or MasterCard Cash Advance—Bank teller	Unlimited	None	Any financial institution in the United States that processes Visa cash advance transactions—over 14,000 institutions and over 98,000 branches—1,594 Consortium locations. This service is not limited only to U.S. Bank branches

* As provided to NCLC by the state or card issuer.

APPENDIX F9 (cont.)

Fee Description	# of “No Charge” Transactions	# of Fee Transactions	Explanation
Customer Service			
Live Representative calls	Unlimited	None	Available 24x7x365—Multilingual Unlimited use to report card lost/stolen, issue resolution, account questions
Customer Service IVR calls	Unlimited	None	1-866-276-5114
Customer Service Web-Based Account Access	Unlimited	None	www.reliacard.com
Account Overdraft Fee	Unlimited	\$0.00	Pay at the Pump/Automated Fuel Dispenser-based transactions will be disabled. Cardholder may still purchase gas by paying inside with the cashier
Monthly Inactivity Fee	Twelve Months (365 days)	\$2.00 per month after twelve months	After 365 consecutive days of inactivity—no deposits, no transactions
Standard Card Replacement	Unlimited	None	
Expedited Card Replacement	None	\$15.00 each	\$15.00—covers expedited shipping costs. Cardholder must request this service.
ATM Balance Inquiries/Declines	Unlimited	None	
Transfer of Funds	Unlimited	None	Through a CSR cardholders may transfer funds to another bank account. Two (2) business days process
Monthly Statement	Unlimited	None	Online statements are the program default, but cardholders may request a paper statement with no fee.
Statement Replacement	Unlimited	None	Cardholders may request a replacement paper statement with no fee.
Bill Pay Option—single or recurring payments	None	\$0.99/per payment	Per bill payment transaction—ACH or check
Bill Pay Option—Stop Payment Fee	None	\$10.00 per request	
Bill Pay Option—Return Fee	None	\$20.00 per returned item	

APPENDIX F9 (cont.)

Fee Description	# of “No Charge” Transactions	# of Fee Transactions	Explanation
Bill Pay Option—Proof of Payment Request Fee	None	\$5.00 per request	
Bill Pay Option—Research Fee	None	\$25.00 per request	
Optional Services			
Cell Phone Balance Inquiry (coming soon)	None	\$0.25 per inquiry	Ability to “ping” the account for an instant balance inquiry
Cell Phone Transaction Notifications (coming soon)	None	\$0.15 per notification	<ul style="list-style-type: none"> • Deposits • Low Balance Threshold • POS Activity
Email Notifications (coming soon)	Unlimited	None	<ul style="list-style-type: none"> • Deposits • Low Balance

APPENDIX G

U.S. BANK OVERDRAFT FEE POLICY*

You have an important new choice you can make about your Prepaid Card account

Standard Overdraft Coverage:

In the past, U.S. Bank declined ATM and everyday Prepaid Card transactions, and automatic recurring bill payments when you did not have enough money in your Prepaid Card account to cover the transaction. In some limited circumstances we may have paid a transaction, overdrawn your account and you were charged an overdraft fee. As an example, a transaction at an Automated Fuel Dispenser (pay-at-the pump) and other select merchants (restaurants, hair salons) may have been authorized for an amount less than the amount that posted to your account that resulted in an overdraft.

Your Choice:

You can choose to say 'YES' or 'NO' to ATM and Prepaid Card Overdraft Coverage. If you do nothing it is the same as saying 'NO':

If you choose 'YES' to ATM and Prepaid Card Overdraft Coverage, U.S. Bank may authorize and pay overdrafts at our discretion for the following types transactions and charge you an overdraft fee:

- ATM transactions
- Everyday Prepaid Card transactions (purchases and bill payments made with your Prepaid Card on a day-to-day basis)
- Automatic recurring bill payments

We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

This way, you may be covered for an unexpected emergency or avoid the inconvenience of having your transactions declined. You may be assessed an overdraft fee if we pay any overdraft item.

If you choose 'NO' to ATM and Prepaid Card Overdraft Coverage, U.S. Bank may decline ATM or everyday Prepaid Card transactions, or automatic recurring bill payments if you do not have enough money in your account and you will not be assessed an overdraft fee. You may want to use other funds to complete your transaction.

Our goal is to guide you through this change so you can make your choice. Please read "What You Need to Know About Overdrafts and Overdraft Fees on Your Prepaid Card" included in this mailing for more information about overdrafts and instructions for making your ATM and Prepaid Card Overdraft Coverage choice.

Tips when using your Prepaid Card

To assist you in completing transactions at some Automated Fuel Dispensers, you should know that we may hold \$75 from your account to initiate your transaction. If you do not want funds held or you do not have enough money in your account, you can pre-pay the cashier for your gasoline purchase.

* As provided by U.S. Bank to Arkansas unemployment compensation recipients and probably to recipients in other states with cards that carry overdraft fees.

APPENDIX G (cont.)

Questions, Answers and Important Tips

Q. How can I keep track of what funds I have available on my card?

A. You can keep track of your balance a couple of ways:

- View your account online at www.reliacard.com
- Call the customer service number on the back of your card
- Perform a balance inquiry at an ATM

Q. Why would I want ATM and Prepaid Card Overdraft Coverage?

A. We understand sometimes there are emergencies or situations where you need to be able to make a purchase, regardless of what your current balance is. Overdraft Coverage can give you the flexibility to make purchases even if you are a little short on funds. You may be charged an overdraft fee.

Q. Why would I not want ATM and Prepaid Card Overdraft Coverage?

A. You may choose not to have us authorize ATM and everyday Prepaid Card transactions, and automatic recurring bill payments when you do not have enough money in your account to avoid paying an overdraft fee. If you choose not to have Overdraft Coverage and you do not have enough money in your account to complete a transaction, your transaction will be declined. You may want to use other funds to complete your transaction.

Q. Can I change my ATM and Prepaid Card Overdraft Coverage selection?

A. Yes, you may change your Overdraft Coverage choice at any time. Please be aware that it may take up to five business days to implement your request.

Important tips when using your Prepaid Card:

- Prepaid Card transaction posting amounts may vary.
 - Restaurants, salons and other services where you typically tip may temporarily add approximately 20% to your bill to cover the tip. Make sure your balance can cover the additional 20% or your transaction may be declined.
 - Some Automated Fuel Dispensers (pay-at-the pump) locations may require \$75 in your account to initiate your transaction. If you do not have this amount in your account, you can pre-pay the cashier for your gasoline purchase.
 - Your final purchase amount will be exactly as you authorized, but may take up to three days to post to your account.
- To avoid potential overdrafts when making travel reservations with a hotel or similar merchant, ask for the amount of the authorization they will send to your account. These merchants may send an initial authorization amount equal to your entire stay or rental period, plus taxes and incidentals, even though your actual purchase will be weeks or months away.
- It is always important to know your balance before you make a purchase or cash withdrawal and to keep track of your remaining balance after these transactions. To keep track of the funds available on your card, refer to the answer to the first question above.

APPENDIX G (cont.)

What You Need to Know About Overdrafts and Overdraft Fees on Your Prepaid Card

An overdraft occurs when you do not have enough money in your account to cover a transaction, but we pay it anyway. We have standard overdraft coverage that comes with your Prepaid Card. This notice explains our standard overdraft coverage.

What is the standard overdraft coverage that comes with my Prepaid Card?

We do authorize and pay overdrafts for:

- Recurring Prepaid Card transactions that you set up with a merchant, such as if you use your Prepaid Card to automatically pay a monthly gym membership or cable bill.

We will not authorize and pay overdrafts for the following types of transactions unless you ask us to (see below):

- ATM transactions
- Everyday Prepaid Card transactions (purchases and bill payments made with your Prepaid Card on a day-to-day basis)
- Automatic recurring bill payments





We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. If we do not authorize and pay an overdraft, your transaction will be declined.

What fees will I be charged if U.S. Bank pays my overdraft?

Depending on your program, we will charge a fee of up to **\$20** to your Prepaid Card at the close of business on the day that a transaction causes your account balance to become negative. Please refer to the fee schedule for the specific overdraft fee for your program.

How do I say 'YES' to ATM and Prepaid Card Overdraft Coverage?

If you want us to authorize and pay overdrafts on ATM and everyday Prepaid Card transactions, and automatic recurring bill payments:

 ONLINE Log in to your account at www.reliacard.com	 CALL 800-710-4792	 MAIL U.S. Bank Prepaid Card Overdraft Coverage 1255 Corporate Drive, 6th Floor Irving, TX 75038	 FAX 866-977-1301
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Change your mind?

You always have the right to change your choice by contacting us in one of the ways described above.






APPENDIX H

STATE-BY-STATE HIGHLIGHTS OF UNEMPLOYMENT COMPENSATION PREPAID CARD PROGRAMS





This chart provides a brief summary of the highlights of each state’s unemployment compensation prepaid card program. Not every fee is included. The notable fees listed include those that are harder to avoid through routine use of the card, fees that are especially questionable, and fees that are high in relation to fees in other states. Details are provided in Appendices A through G.

State (bank)	State-by-State Highlights	Notable Fees
Alabama (Regions) 	The Alabama card is one of only five that put consumers in a Catch-22 with a fee for any ATM balance inquiry <i>and</i> a denied transaction fee if the consumer attempts a transaction with an insufficient balance.	\$1.00/2F ATM \$0.40 Bal \$0.40 DT ATM
Alaska (JP Morgan Chase)	Alaska is only one of three programs to offer unemployed workers three methods of payment: direct deposit, prepaid card, and a paper check. The prepaid card also comes with some free ATM withdrawals at both in- and out-of-network ATMs. However, Alaska is one of only two states to offer no free teller-assisted withdrawals, and the card should eliminate the denied transaction fee.	\$1.50/2F ATM \$5.00 Teller \$0.50 DT \$0.35/4F IVR
Arizona (JP Morgan Chase) 	Arizona has one of the better cards, with no penalty fees and generally ample access to cash and information without fees, including some free out-of-network ATM withdrawals and the option of monthly account statements. However, the state should eliminate the fees for balance inquiries at out-of-network ATMs and provide unlimited free calls to customer service, especially to the automated menu.	\$1.50/4F ATM-out \$0.75 Bal-out
Arkansas (U.S. Bank) 	Arkansas is one of only five states whose cards carry overdraft fees, and it has the highest overdraft fee of those five. Some types of transactions can automatically trigger overdraft fees but others require the consumer to opt in to overdraft coverage. Otherwise, the Arkansas card offers ample access to free account information, including automatic monthly paper statements, and the card has generally good access to cash without fees.	\$1.50 ATM-out \$20.00 OD
California (Bank of America) 	California has the best overall UC prepaid card, offering multiple free ways to access cash, including some out-of-network ATM withdrawals, free account information, an option to sign up for paper statements, and no penalty fees. California needs to add direct deposit. It is one of only six states that fail to offer that option.	\$1.00/4F ATM-out
Colorado (JP Morgan Chase) 	The Colorado card can be the most expensive of any state’s if used on a daily basis for purchases. Colorado is the only state to charge for signature transactions and one of only four to charge if a PIN is used. The card also carries inappropriate fees for balance inquiries at out-of-network ATMs and for denied transactions.	\$1.50/4F ATM-out \$0.10 POS \$0.75 DT \$5.00/2F Teller \$0.50 Bal-out \$0.25/6F IVR




APPENDIX H (cont.)

State (bank)	State-by-State Highlights	Notable Fees
Connecticut (JP Morgan Chase) 	Connecticut is one of only five states that put consumers in a Catch-22 with a fee for ATM balance inquiries yet also a denied transaction fee if the consumer attempts a transaction with an insufficient balance. On the positive side, the card offers unlimited teller withdrawals, one free ATM withdrawal per deposit at either in-network or out-of-network ATMs, and the option to sign up for paper statements for a small monthly fee.	\$1.50/4F ATM \$0.85 Bal \$0.80 DT \$0.25/5F IVR
Delaware	No prepaid card yet.	
District of Columbia	No prepaid card yet.	
Florida (Wells Fargo)	For recipients who live near a network ATM, Florida's card has ample and free access to cash and information. But ATM fees at out-of-network ATMs are high. Florida is one of only three states to offer all three payment options to UC recipients: direct deposit, prepaid card, and a paper check.	\$2.25 ATM-out \$0.75 Bal-out \$0.50/5F IVR \$3.00/2F Teller
Georgia	No prepaid card yet.	
Hawaii	No prepaid card yet.	
Idaho (U.S. Bank) 	Idaho is one of only five states with a card that carries overdraft fees. Otherwise, the card offers excellent access to free account information, including automatic monthly paper statements, and has generally good access to cash without fees.	\$10.00 OD \$3.00/3F CS
Illinois (Illinois National Bank) 	The Illinois card is one of only two that fail to offer any free ATM withdrawals at network ATMs, and it charges balance inquiry fees at any ATM. The card could also be improved with an option to sign up for paper monthly statements.	\$0.95 ATM \$0.50 Bal \$1.00/1F CS
Indiana (PNC) 	Indiana is the only state that does not offer direct deposit, paper checks, <i>or</i> automatic transfers from the prepaid card to a bank account. The card assesses a fee for all ATM balance inquiries and a fee for live and automated customer service calls (IVR), after six each month. The card could also be improved by offering monthly paper statements and waiving some out-of-network ATM fees for those who do not live near a network ATM.	\$1.25/4F ATM \$0.50 Bal \$0.25/4F DT ATM \$0.50/6F IVR
Iowa (Wells Fargo) 	Iowa is one of only five states that put consumers in a Catch-22 with a fee for all ATM balance inquiries and also denied transaction fees if the balance is insufficient. The card also charges for calls to customer service, even to the automated (IVR) menu to check the balance, after six calls each month.	\$1.35/4F ATM \$0.50 Bal \$0.40/6F IVR \$0.50 DT ATM
Kansas (Citibank)	Kansas is one of only six states that fail to offer direct deposit; the state eliminated direct deposit after adopting the prepaid card. The Kansas prepaid card has some unwelcome fees but they are not as steep as on some cards. The card charges for ATM balance inquiries at any ATM and out-of-network ATM withdrawals.	\$0.75/4F ATM \$0.25 Bal
Kentucky	No prepaid card yet.	





APPENDIX H (cont.)

State (bank)	State-by-State Highlights	Notable Fees
Louisiana (JPMorgan Chase)	The Louisiana card has decent access to cash for those near network ATMs, but others may pay ATM fees or a steep fee for a teller withdrawal (after the first each month). The card also carries inappropriate fees for denied ATM transactions and for ATM balance inquiries.	\$1.50/4F ATM \$0.75/4F Bal \$4.00/4F Teller \$0.75 DT ATM
Maine (JP Morgan Chase)	Maine is one of only four states to charge for purchases (including cash back) made with a PIN number, and the card also has inappropriate denied transaction fees. Information access is good: ATM balance inquiries and customer service calls are free, paper statements are available for a small fee each month, and a clear and complete fee chart is available on the state's website.	\$1.50/4F ATM \$0.25 PIN \$1.00 DT
Maryland (Citibank) 	Maryland has one of the better UC prepaid cards, with no penalty fees and generally ample access to cash and information without fees. The card could be improved with an option to sign up for paper statements. But Maryland is one of only six states that fail to offer direct deposit for those with a bank account. Recipients can arrange for payments to be automatically transferred but there might be a delay in receiving funds.	\$1.50/4F ATM
Massachusetts	No prepaid card yet but one is coming soon.	
Michigan (JP Morgan Chase) 	The Michigan card has several problematic fees, including fees for ATM balance inquiries and denied transactions, which are the highest of any state. The card could also be improved by offering some free out-of-network ATM withdrawals.	\$1.50/4F ATM \$1.00/2F Bal \$1.50 DT \$4.00/2F Teller
Minnesota (U.S. Bank) 	Minnesota has one of the better cards, with no penalty fees and generally ample access to cash and information without fees. It is one of four U.S. Bank states that recently eliminated overdraft fees. The card could be improved by offering some free out-of-network ATM withdrawals and an option to sign up for paper statements.	\$1.50 ATM-out \$3.00/3F CS
Mississippi (Comerica)	The Mississippi card permits a number of free transactions each month before charging a fee, including in-network ATM withdrawals, balance inquiries, and denied transactions. The card could be improved by providing some free out-of-network ATM withdrawals, eliminating all denied transaction and balance inquiry fees, and providing the option to sign up for paper statements.	\$1.75/3F ATM \$0.50/3F DT ATM \$0.75/3F Bal \$0.50/5F IVR
Missouri (Central Trust Bank) 	Missouri is one of only two states to offer no free teller withdrawals. Otherwise, Missouri has one of the better cards, with unlimited in-network ATM withdrawals and one free out-of-network per week, with relatively few junk fees and the option of paper statements for a small fee each month. The card offers some free ATM balance inquiries, customer service calls, and denied transactions, but it could be improved by eliminating all fees for those activities.	\$1.75/4F ATM-out \$1.25/4F Teller \$0.50/4F Bal-out \$0.25/4F DT \$0.50/12F IVR
Montana	No prepaid card yet.	
Nebraska (U.S. Bank)	Nebraska is one of only five states with cards that carry overdraft fees. Some types of transactions can automatically trigger overdraft fees but others require the consumer to opt in to overdraft coverage. Apart from the overdraft fee, the Nebraska card offers ample access to free account information, including automatic monthly paper statements, and the card has generally good access to cash without fees.	\$1.25/1F ATM-out \$10.00 OD



APPENDIX H (cont.)

State (bank)	State-by-State Highlights	Notable Fees
Nevada (Wells Fargo)	Nevada is one of only six states that fail to offer direct deposit, though the state does permit recipients to opt out of the prepaid card and request a paper check. After some free transactions, the card charges fees for denied transactions, ATM balance inquiries and automated (IVR) customer service calls.	\$1.75/4F ATM \$0.50/2F DT ATM \$0.50/1F Bal \$0.35/5F IVR
New Hampshire	No prepaid card yet.	
New Jersey (Bank of America) 	New Jersey has one of the best UC prepaid cards, with multiple free ways to access cash, including some out-of-network ATM withdrawals, free account information, and no penalty fees. The card could be improved with an option to sign up for paper statements and more free out-of-network ATM withdrawals for those not near a network ATM.	\$1.00/2F ATM-out
New Mexico (Wells Fargo)	The New Mexico card provides generally ample access to cash and information by offering a number of free transactions before fees are charged. The card could be improved by offering some free out-of-network ATM withdrawals and eliminating the denied transaction fee.	\$1.50/4F ATM \$0.50/4F DT ATM \$0.50/4F IVR \$1.50/2F CS
New York (JP Morgan Chase)	The New York card provides ample access to information and numerous opportunities to withdraw funds for free, including some free out-of-network ATM withdrawals and the option of paper statements. However, the program could be improved by eliminating the denied transaction fee and the fee for out-of-network ATM balance inquiries.	\$1.50/2F ATM-out \$0.50 Bal-out \$0.50 DT ATM
North Carolina (Wells Fargo)	For recipients who can use network ATMs, the North Carolina card offers generally good access to cash and information. But at out-of-network ATMs, cardholders will pay a steep price for balance inquiries and withdrawals. The card also carries a denied transaction fee. The state should offer recipients the option to sign up for paper statements	\$2.25 ATM-out \$1.00 Bal-out \$1.00 DT ATM
North Dakota (U.S. Bank) 	North Dakota has one of the better UC prepaid cards, with no penalty fees and generally ample access to cash and information without fees. It is one of four states served by U.S. Bank that recently eliminated overdraft fees, though automatic paper statements had to be dropped in exchange. The card could be improved by offering some free out-of-network ATM withdrawals and by adding an option to sign up for paper statements.	\$1.25 ATM-out
Ohio (U.S. Bank) 	Ohio is one of only five states with a card that carries overdraft fees. Otherwise, the Ohio card offers ample access to free account information, including automatic monthly paper statements, and the card has generally good access to cash without fees, although recipients who use out-of-network ATMs will pay a fee.	\$1.50 ATM-out \$17.00 OD
Oklahoma (Comerica)	The Oklahoma card carries too many fees, with charges for denied transactions, balance inquiries, out-of-network ATM withdrawals, and calls even to automated (IVR) customer service (after the 5 th call each month).	\$1.50/2F ATM \$2.00 ATM-out \$0.50/2F DT ATM \$0.50 Bal \$0.50/5F IVR

APPENDIX H (cont.)

State (bank)	State-by-State Highlights	Notable Fees
Oregon (U.S. Bank) 	Oregon is one of only five states with a card that carries overdraft fees. Some types of transactions can automatically trigger overdraft fees but others require the consumer to opt in to overdraft coverage. Apart from the overdraft fee, the Oregon card offers ample access to free account information, including automatic monthly paper statements, and the card has generally good access to cash without fees, though recipients who use out-of-network ATMs will pay a fee.	\$1.50/2F ATM \$17.00 OD \$3.00/2F Teller
Pennsylvania (Comerica)	The Pennsylvania card offers one free withdrawal per week at network ATMs, but the card carries inappropriate ATM balance inquiry and denied transaction fees. Adding some free out-of-network ATM withdrawals, unlimited free calls to customer service, and an option to sign up for paper statements would also improve the card.	\$1.50/4F ATM \$0.40 Bal \$0.50/1F DT ATM \$0.35/5F IVR
Rhode Island (JP Morgan Chase) 	The Rhode Island card has one of the more problematic fee structures. It is one of only five states that put consumers in a Catch-22 fee with fees for any ATM balance inquiry yet also a denied transaction fee if the balance is insufficient. It is also one of only four states that charge for purchases and cash back using a PIN, though signature transactions are free. On the positive side, it offers some free out-of-network ATM withdrawals and unlimited free calls to customer service.	\$1.50/4F ATM \$0.50 Bal \$1.00 DT \$0.25 PIN
South Carolina (Bank of America)	South Carolina recipients can avoid most fees if they use network ATMs and check their balance first. Consumers can also elect paper statements. The card could be improved by waiving the out-of-network ATM fee for those far from a network ATM and eliminating all fees for denied transactions and live customer service calls.	\$1.50/4F ATM \$0.50/4F DT ATM \$1.50/1F CS
South Dakota (U.S. Bank) 	South Dakota has one of the better cards, with no penalty fees and generally ample access to cash and information without fees, including free monthly statements. It is one of four U.S. Bank states that recently eliminated overdraft fees. However, the card could be improved by offering some free out-of-network ATM withdrawals.	\$1.25 ATM-out
Tennessee (JP Morgan Chase) 	The Tennessee card has the most fees of any state. It is one of only two states that fail to offer any free ATM withdrawals. It is one of only five states that put recipients in a Catch-22 with fees for any ATM balance inquiry yet also a denied transaction fee if the balance is insufficient. Only three other states charge a fee for purchases using a PIN number, including cash back. The card could also be improved with the option to sign up for paper statements, so that recipients could monitor the fees they are paying.	\$1.00/\$0.60 ATM \$0.25 PIN \$0.40 Bal \$0.25 DT \$0.10/4F IVR
Texas (JP Morgan Chase)	The Texas card offers good access to cash without fees but charges a denied transaction fee and also balance inquiry fees at out-of-network ATMs. On the positive side, recipients can sign up for free monthly paper statements, and free text, email, or telephone alerts when funds are deposited, and customer service calls are free.	\$1.50/2F ATM-out \$1.00 DT \$0.50 Bal-out \$5.00/2F Teller
Utah (JP Morgan Chase)	The Utah card offers reasonable access to cash and account information without charge, though the card carries an inappropriate denied transaction fee.	\$1.50/4F ATM \$0.50/4F Bal \$1.00 DT
Vermont	No prepaid card yet.	

APPENDIX H (cont.)

State (bank)	State-by-State Highlights	Notable Fees
Virginia (Comerica)	Virginia offers a number of options to withdraw cash without fees but the card charges fees for ATM balance inquiries (one free per month at a network ATM) and denied transactions (waived twice a month). The card could permit some free withdrawals at out-of-network ATMs and add the option to sign up for paper statements to improve.	\$1.45/5F ATM \$0.50/1F Bal \$2.50/2F Teller \$0.50/2F DT ATM
Washington	No prepaid card yet.	
West Virginia (JP Morgan Chase) 	The West Virginia card has the highest denied transaction fee and out-of-network ATM fee of any state. The card could be improved by eliminating fees for balance inquiries and adding a paper statement option. On the positive side, the card offers unlimited free in-network ATM withdrawals, and the state recently added direct deposit, making it one of only three states to give recipients all three options: direct deposit, a prepaid card or a paper check.	\$2.75 ATM-out \$1.50 DT \$0.25 Bal-out
Wisconsin	No prepaid card yet.	
Wyoming (U.S. Bank) 	Wyoming has one of the better cards, with no penalty fees and generally ample access to cash and information without fees, including free monthly statements. It is one of four U.S. Bank states that recently eliminated overdraft fees. The card could be improved by offering some free out-of-network ATM withdrawals. Wyoming is also one of only six states that use a prepaid card and fail to offer direct deposit, though it does offer a paper check option.	\$1.25 ATM-out

Key:  Best bet  Runner-up  Problematic

*See Appendices A through F for details, such as the number of free transactions before the fee applies.

ATM: The fee for ATM withdrawals at either in- or out-of-network ATMs.

ATM-out: The fee for withdrawing cash only at out-of-network ATMs.

Bal: The fee to check the balance at an ATM in- or out-of-network.

Bal-out: The fee to check the balance only at an out-of-network ATM.

CS: The fee for calling live customer service.

DT: The fee for denied transactions. DT ATM indicates a fee only for denied ATM transactions.

F: The number of free transactions per month before a fee is imposed.

IVR: The fee for calling customer service and using the Interactive Voice Response (automated) menu, such as to check the account balance. The same fee will also apply to live customer service calls.

OD: The fee for an overdraft transaction processed despite insufficient funds. See the report and Appendix G for details.

PIN: The fee for a POS transaction using a personal identification number.

POS: The fee for any point-of-service transaction (i.e., a purchase), including a signature transaction.

Teller: The fee for a withdrawal from the teller window.

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8.5 Recipient Access to EBT Benefits

8.5.1 Access to SNAP Benefits

Page 227

8.5.1.1 General

Replace note 92 with:

92 7 C.F.R. § 274.7(e), (f)(2).

Replace note 93 with:

93 7 C.F.R. § 274.7(f)(1).

Addition to notes 94, 95.

94 Replace first Code of Federal Regulations citation with: 7 C.F.R. § 274.3(b)(1). Replace second Code of Federal Regulations citation with: 7 C.F.R. § 274.3(b)(2).

95 Replace Code of Federal Regulations citation with: 7 C.F.R. § 274.3(a)(1).

Replace 96 with:

96 7 C.F.R. § 274.1(g)(4).

8.5.3 System Downtime and Back-Up Systems

Page 230

8.5.3.1 General

Addition to note 118.

118 Replace Code of Federal Regulations citation with: 7 C.F.R. § 274.3(a)(1)(i).

8.5.3.2 Manual Vouchers for Food Stamps

Addition to note 120.

120 Replace first Code of Federal Regulations citation with: 7 C.F.R. § 274.8(a)(2)(v). Replace second Code of Federal Regulations citation with: 7 C.F.R. § 274.8(b)(3)(ii)(D). Replace third Code of Federal Regulations citation with: 7 C.F.R. § 274.8(b)(4)(ii)(A). Replace fourth Code of Federal Regulations citation with: 7 C.F.R. § 274.8(d).

8.6 Recipient EBT Charges

Page 232

8.6.1 No Charge for Access to Food Stamp Benefits

Replace note 130 with:

130 7 C.F.R. § 274.7(c).

8.6.2 Recipients Typically Charged a Fee to Access EBT Cash Benefits

Page 233

8.6.2.1 No Federal Restrictions

Add to text at end of subsection:

State statutes, regulations, and contracts determine the fee schedules. Some states appear to limit the number of fees clients pay by restricting ATM use to cash withdrawals. Kansas' EBT cards, for example, cannot be used to make balance inquiries at an ATM. Balance inquiries can be made by phone, over the web, or by checking the bottom of the receipt on the last purchase made.^{130.1}

Two states, Minnesota and Indiana, limit fees for cardholders by capping the total amount of monthly fees that can be charged to one recipient. Indiana's Hoosier Works EBT card, for example, allows cardholders to perform two free ATM cash withdrawals a month and then charges \$1.00 per transaction until the cardholder has completed twelve cash withdrawals at an ATM. On the thirteenth withdrawal, the transaction is free. Indiana cardholders cannot be charged more than \$10 per month for cash withdrawals (not including a surcharge imposed by ATM owners).^{130.2} The Minnesota program offers more free withdrawals (four per month)

and then \$1.00 for each additional transaction but caps total monthly fees at \$10.^{130.3} Again, the fee cap does not include surcharges. Capping the total costs to a consumer for cash withdrawals is a good practice, although the \$10-per-month limit in Indiana and Minnesota is a relatively high threshold.

Nevada's card (JPMorgan Chase) seems to have the costliest and most numerous fees.^{130.4} Cardholders pay \$1.00 to perform a balance inquiry at an ATM and \$1.50 to make cash withdrawals at an out-of-network ATM (the same fee is charged for in-network ATM use after one free withdrawal a month). If a claimant uses a bank teller, \$5.00 is deducted from the card.

US Bank issues the only cash benefit card that assesses an overdraft fee. For example, Nebraska's TANF card will not allow users to intentionally overdraw his or her account but, if it happens, a \$10 fee is charged.^{130.5} US Bank will waive the first overdraft incurred if a cardholder calls a ReliaCard CSR to discuss how their account became overdrawn.

Few state regulations or statutes specify fee information for the cash benefits disbursed onto EBT cards. Some notable exceptions include California,^{130.6} Louisiana,^{130.7} Maine,^{130.8} Oregon,^{130.9} and Rhode Island.^{130.10} Maine, Oregon, and Rhode Island outline the cost to recipients of ATM transactions while Louisiana allows retailers to assess a fee as high as a check-cashing fee when a cardholder attempts cash back without a purchase.^{130.11}

The California Welfare and Institutions Code requires that acceptable fees and surcharges "not . . . exceed the amount allowed by applicable state and federal law and customarily charged to other customers, for cash withdrawal transactions that exceed four per month."^{130.12} A few other states passed regulations that allow them to charge recipients for the cost of a replacement card for EBT cards with food stamp benefits. Federal regulations permit this fee and it is limited to the actual cost of the state to replace the card. For EBT cards with cash benefits, however, there is no limit on what a replacement card can cost and so the fees tend to be higher. Maine ratchets up the fee assessed to cardholders by \$1.00 for each subsequent card requested within a twelve-month period (after one free replacement).^{130.13} The Maine law, however, grants program administrators the authority to waive the fee if evidence of hardship exists.^{130.14}

Even in states without regulations or statutes governing fees, the agency may establish acceptable costs to recipients in their RFPs and RFIs. Tennessee, for example, does not have any law or regulation governing EBT, but the Tennessee Department of Human Services, which oversees the program, issued an RFI in 2010 that enumerated a number of entitlements for EBT cardholders and limits on fees.^{130.15} Claimants are allowed two "successful" cash withdrawals from a POS and/or ATM, and subsequent fees are limited to \$1.00 or below.^{130.16}

- 130.1 Kansas Dep't of Social & Rehabilitative Servs., How to Use Your Kansas Vision Card 12 (2008), available at www.srs.ks.gov/agency/fees/Documents/EBT/EBT_Handbook.English.01.09.pdf.
- 130.2 See Indiana Family & Social Servs. Admin., Hoosier Works Card FAQ's, available at www.in.gov/fssa/dfir/3103.htm.
- 130.3 See Minnesota Dep't of Human Servs., How to Use Your Minnesota EBT Card 2(Dec. 2010), available at <https://edocs.dhs.state.mn.us/lfsrserver/Public/DHS-3315A-ENG>.
- 130.4 See Nevada Div. of Welfare & Supportive Servs., Nevada Debit Card Fees, available at https://dwss.nv.gov/dmdocuments/CS_NVDebitCardFees_Guide.pdf.
- 130.5 Nebraska Dep't of Health & Human Servs., ReliaCard Visa (Debit Card) Fees (2011), available at www.hhs.state.ne.us/fia/DebitCard/changes.htm.
- 130.6 Cal. Welf. & Inst. Code § 10072 (West).
- 130.7 La. Admin. Code tit. 67, pt. III, § 407.
- 130.8 10-144-331 Me. Code R. Ch. VI (LexisNexis).
- 130.9 Or. Admin. R. 461-165-0096.
- 130.10 39-1-88:1427.05 R.I. Code R. § 1427.05.05 (LexisNexis).
- 130.11 La. Admin. Code tit. 67, pt. III, § 407.
- 130.12 Cal. Welf. & Inst. Code § 10072 (West).
- 130.13 10-144-301 Me. Code R. § FS-777-7 (LexisNexis).
- 130.14 *Id.*
- 130.15 Tennessee Dep't of Human Servs., RFI #34530-01811, Regarding Electronic Benefit Transfer (EBT) Services 12, (Oct. 6, 2010).
- 130.16 *Id.*



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Testimony of David Rothstein

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Senate Committee on Banking, Housing, Urban Affairs;
Subcommittee on Financial Institutions and Consumer Protection
- Examining Issues in the Prepaid Card Market
March 14, 2012

Chairman Brown, Ranking Member Corker, and Members of the Subcommittee, thank you for giving me the opportunity to testify on behalf of Policy Matters Ohio and the New America Foundation. Policy Matters is a nonprofit, nonpartisan research institute that focuses on issues impacting low- and moderate-income working families. The mission of New America's asset building program is to significantly broaden access to economic resources through increased savings and asset ownership, thereby providing families with enhanced economic security, a direct stake in the commonwealth, and the means to pursue their aspirations.

My research is primarily focused on the financial status and socioeconomic challenges experienced by the millions of low-and moderate income families and tax filers in the United States. My testimony today is based upon the following three premises:

- 1) low- and moderate-income families need and deserve full transparency and disclosure of fees associated with prepaid debit cards;
- 2) prepaid debit cards, particularly cards with public benefits and tax returns loaded on to them, should not have features that add high fees such as overdraft charges and balance inquiry;
- 3) the prepaid debit card market should not be a replacement but rather a complement to other financial products that build and manage assets for working families.

Let me start by commending this Committee for holding this informational hearing on a relatively new but already large market. Millions of low- and moderate-income families use prepaid debit cards for their day-to-day purchases but also receive them for public benefits such as unemployment compensation, food assistance, and state tax refunds. The FDIC reports that at least 9 million households were unbanked and 17 million were under-banked in 2009. These families are financially vulnerable, so protecting and growing their assets is especially important. Government or public sector cards, paid for with public dollars, are used to provide unemployment compensation, food assistance, and other public benefits. Ensuring those dollars are not siphoned off by unnecessary fees should be a top priority.

While I represent a viewpoint of consumers nationwide, I also can provide an on-the-ground perspective about prepaid debit cards used for unemployment compensation in Ohio. In 2011, more than half a million Ohioans received UC bringing \$3.3 billion to Ohio families.¹

Ohioans have two choices for receiving their unemployment compensation. One is through direct deposit to a bank account from the Ohio Department of Job and Family Services (ODJFS). ODJFS deposits the unemployment compensation into the client's bank account every week. This is an excellent option for clients who have bank accounts, avoiding paper checks, which can get lost or stolen, and ensuring quick deposit of funds.

The second method is through an electronically-loaded debit card called the ReliaCard – a prepaid Visa card provided by US Bank.² Ohio is one of 41 states that provide a prepaid debit card as an option for unemployment compensation. Upon successfully completing the application for UC, this debit card is loaded with a client's compensation and the recipient can use the card like a regular prepaid debit card. The ReliaCard, which is used in other states as well, also has several advantages over paper checks, which are no longer an option in Ohio.³ First, the ReliaCard allows recipients without bank accounts to receive compensation and not pay to cash a check. Second, the ReliaCard allows recipients to make electronic purchases and bill payments, unlike cash or check options. Third, the card, which requires a code, is harder to steal than cash or a check. Finally, recipients get their benefits several days sooner. We began research last year on this card because our colleagues in housing, tax preparation assistance, and employment training alerted us that individuals receiving unemployment compensation were overdrafting on their benefits.

ODJFS officials estimate that 30 to 40 percent of those receiving UC now choose the ReliaCard.⁴ Based on the number of Ohio unemployment compensation recipients, an estimated 200,000 clients used the ReliaCard in 2011.⁵ The ReliaCard is convenient for many users. However, it also can carry fees on cash withdrawal and overall use (see Table 1, attached). US Bank charges \$1.50 for withdrawing money at non-US Bank locations or ATMs that are not part of the Visa PLUS ATM network, and the other bank may also charge for that transaction. There are fees for balance inquiries at non-US Bank locations. The ReliaCard also has overdraft fees of \$17.00 for purchases that exceed the value on the card if they opt in for coverage.⁶ However, this fee is likely to be dropped this July due to the Durbin Amendment on interchange fee rules. It is important to note that ATM and overdraft fees can add up – incurring multiple charges in a day or week.

¹ Randy Tucker. "Ohio Unemployment Fraud More than Doubles in 5 Years." (March 8 2012) *Dayton Daily News*: <http://www.daytondailynews.com/news/dayton-news/ohio-unemployment-fraud-more-than-doubles-in-5-years-1340906.html>

² http://jfs.ohio.gov/ouc/ReliaCard_FactSheet.pdf

³ The National Consumer Law Center released a report on May 10, 2011 that details how states are using debit cards for public benefits. The report by Lauren Saunders, "Unemployment Compensation Prepaid Cards," suggests removing "junk fees" from prepaid debit cards loaded with public benefits. The ReliaCard by US Bank is one card used by multiple states but the terms of the agreement differ slightly per state. <http://www.nclc.org/issues/unemployment-compensation-prepaid-cards.html>

⁴ Interview and e-mail correspondence with Ms. Laura Abu-Absi, ODJFS on October 6, 2010.

⁵ This is a lower-bound estimate using 30 percent of the 674,000 clients receiving unemployment compensation. ODJF reported higher numbers to the Cleveland Plain Dealer in 2011: http://www.cleveland.com/consumeraffairs/index.ssf/2011/05/report_gives_ohios_unemployment.html

⁶ The ReliaCard program states that a client can have one overdraft fee reversed.

The ReliaCard has some positive components to its fee structure. There are no fees for point-of-sale transactions, so the card can be used anywhere that accepts Visa. Card users can purchase above the price of the transaction and receive cash back for no additional charge from most merchants. There is no bank transfer fee or penalty for moving funds from the ReliaCard to a bank account.⁷ Balance inquiries are also free at US Bank and Visa PLUS ATM locations, which allow clients to better manage their finances and avoid overdrafts. Several other features are free including customer service inquiries, paper statements, and replacement of lost or stolen cards. Other public sector debit cards charge for these items.

In addition to concerns about fees, there are reasons to be concerned about access to US Bank and free network locations. ReliaCard users can get fee-free access to their benefits at US Bank locations and at ATM locations through the Visa PLUS ATM program. There are approximately 750 such ATMs in the Ohio network, however not all of Ohio's 88 counties have one of these locations.⁸ In fact, 33 counties have no US Bank locations and 16 counties have no Visa/PLUS ATM locations. Many of the non-urban counties have few locations, often one free location every 20 miles. We have attached maps of the unemployment rates and ReliaCard coverage to this testimony. Some of the areas with the highest unemployment rates have the fewest locations. Given the importance of cash and realities of traveling long distances for unemployed workers, accessibility to no-cost ATMs is paramount. Requiring unemployed workers to pay \$3 or more for each ATM transaction is egregious and also a waste of taxpayer dollars.

Also of concern is that it was extremely difficult for Policy Matters to find information on ATM locations, how to use the card and the fee structure. ODJFS and US Bank branches had trouble reporting to us and were inconsistent in answers to these questions. In fact, it took months to get a full list of the non-US Bank locations participating in the Visa PLUS network.

This research on Ohio's ReliaCard led me to the three premises I mentioned at the outset.

First, it is essential that families understand the fees associated with the prepaid card. Many families receiving public benefits or tax returns on a prepaid card will think it functions like a gift card, which is not accurate. The fees should be disclosed and transparent, which also means readable language that includes examples. Clients should read phrases that say "If you use this card at a non-covered bank, you will be charged a \$1.50 fee from the card and another fee from that ATM." Some potential policy changes that would benefit consumers would be a standardized box on contracts and statements that displays fees and costs of the card. On credit card statements, this is often known as the "Schumer Box," in reference to Senator Schumer of this committee and his efforts for disclosure on credit cards. Additionally, comparing different prepaid debit cards is challenging. We have a formula, the annual percentage rate (APR), for comparing the cost of credit. We should develop a similar tool that allows for ranking different prepaid card products. In the end, this will allow for the best prepaid card products to flourish in the market.

On the second premise, it is crucial that prepaid debit cards loaded with public benefits and tax refunds are not fee-ridden. Similar to Ohio's ReliaCard, several states have a prepaid debit card for

⁷ The client's bank may charge a fee for this process.

⁸ Visa/PLUS ATMs were found on 3/11/2011 from http://visa.via.infonow.net/usa_atm/. A public records request with ODJFS yielded a list in June 2011 with the same information.

state tax refunds with a comparable fee schedule.⁹ However, not all prepaid cards have the same fee schedules. With the exception of overdraft and out-of-network ATM charges, Ohio’s ReliaCard has few fees. Other government-issued prepaid debit cards carry additional fees that should be reduced if not eliminated. I highlight some of these fees below.

Again, for government-issued cards that are loaded with public benefits and tax refunds, overdraft fees should not be an option. If the balance is \$0, the card should not produce a transaction. Also, prepaid debit cards should not have a credit function to them. Credit cards are a very different product than prepaid cards and this can get confusing when the card has a Visa or MasterCard logo for network transactions. Additionally, clients should not be charged fees for checking balances at any ATM, even out-of-network. A balance inquiry is important for managing benefits as with a regular bank account. Also, customer service calls should not have a charge – there should also not be a charge to talk to a live person. Finally, we recommend that clients in rural or low-ATM areas be given one free out-of-network ATM transaction from the prepaid card for every deposit from the state agency. At bare minimum, they could move the money to a more convenient banking product or account to avoid ATM fees.

On the third premise, I want to stress that prepaid debit cards are a useful tool in managing the assets of the working families. At the same time, it is imperative that prepaid debit cards are not a substitute for savings accounts and mainstream financial products. There is a growing concern in the consumer community that prepaid debit cards will replace innovative products and services to low- and middle-class families looking to grow their assets. There are huge policy implications if prepaid cards become the new norm for these clients, a “second tier” banking product of sorts. If so, prepaid cards are more of a tool for financial exclusion than inclusion – which would damage communities. Asset building is an important part of economic mobility, whether it is creating an emergency fund or saving for college. Families should always have the option of direct deposit for a government benefit rather than the card.

Few prepaid debit cards have a savings bucket and no government-issued cards allow other funds to be loaded onto the cards. Additionally, many prepaid cards do not allow customers to pay bills or write electronic checks – an obvious difference from a checking account.

In sum, I believe that prepaid debit cards are helpful and present a needed alternative to other financial products. It is essential that they are transparent, not fee ridden, and part of a larger financial inclusion plan. I appreciate the opportunity to testify before you. I am happy to answer any questions at this time.

Respectfully submitted,

David Rothstein

⁹ Karen Harris. “Tax Refunds Issued on Prepaid Cards Take a Toll on Consumer.” The Shriver Center <http://www.theshriverbrief.org/2012/02/articles/asset-opportunity/tax-refunds-issued-on-prepaid-cards-take-a-toll-on-consumers/>

Appendix 1: Tables

Table 1: Ohio ReliaCard Fees ¹⁰	
Non US Bank ATM fee (charge by US Bank) per transaction	\$1.50
Non US Bank ATM fee (charge by other bank) per transaction	\$1.50 to \$2.50
Non US Bank balance inquiries per transaction	\$1.00 to \$3.00
Rush delivery of a replacement card	\$10
Account overdraft per transaction	\$17

¹⁰ http://jfs.ohio.gov/ouc/ReliaCard_FactSheet.pdf

Appendix 2: Figures

Figure 1: US Bank Locations and Ohio Unemployment Rates

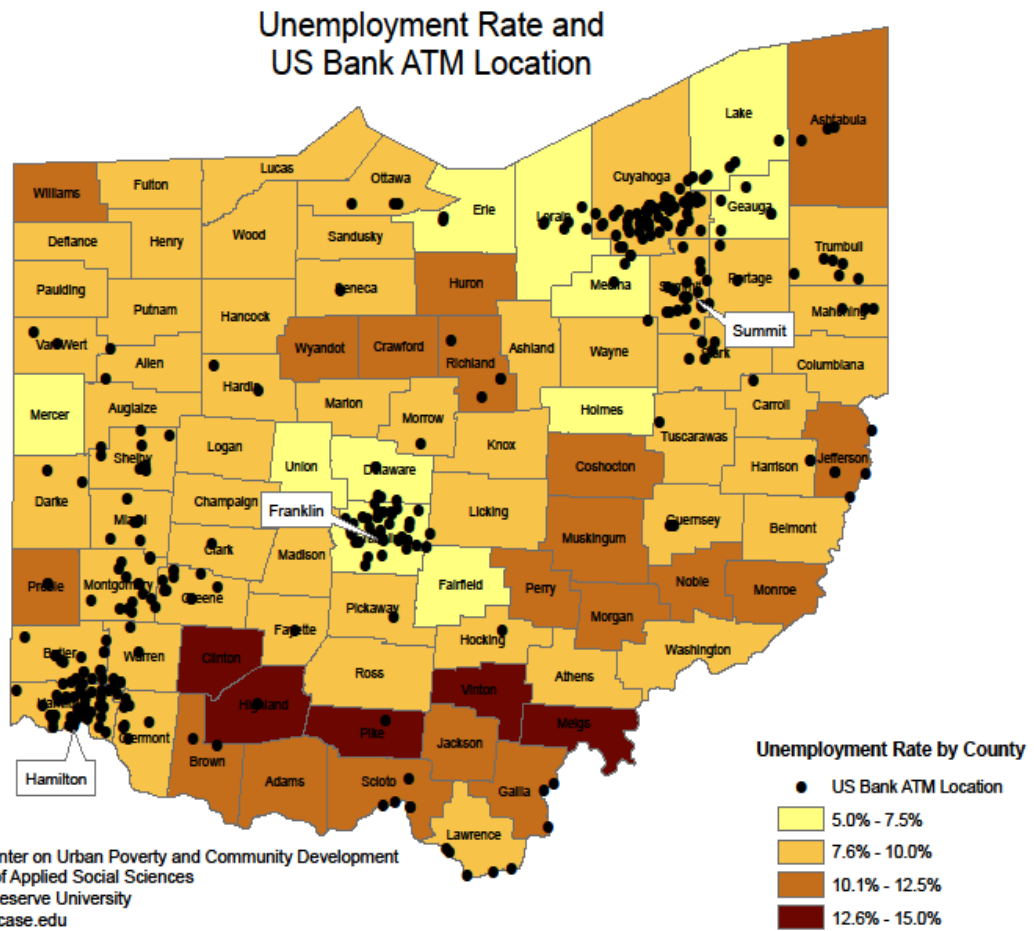


Figure 2: Visa Plus Network ATMs and Ohio Unemployment Rates

