

From: Robert Dorf
Subject: Electronic Fund Transfers

Comments:

I noticed the restrictions that are proposed for gift cards.

As someone who assisted in creating the market but is not involved with issuing gift cards, I thought I might make a suggestion.
I am sure that these have already been considered.

There are two classes of gift cards-
retailer issued- here the funds should be treated as cash belonging to the account holder without fees for an extend period of time- Retailers at their discretion should be able to move the card balance to zero after - say two years of non- use.

The bank issued gift cards have another issue.
These cards and their associated marketing and maintenance have a much higher cost. They act as a service in that the 'issuer' does not make a profit on the product purchased using the card. Restrictions and fees make sense if they do not eliminate the service completely from the market place. Current guidelines will have such an impact. The actual costs to bring this type of card to market are easily obtained. Once knowing this, restrictions could be applied while allowing the service to remain.

I have had a number of cards expire but also understand the cost of doing business from marketing to monthly costs.

Robert Dorf