From: K. Trusko

Subject: Electronic Fund Transfers

Comments:

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Str and Constitution Avenue, N.W.
Washington, DC 20551

Attention: Docket No. R-1377
Re: Proposed rules affecting: Gift Certificates, Store Gift Cards and General-Use Prepaid Cards

Dear Ms. Johnson:

As someone in the cards business since 1992 and prepaid (aka stored value) cards since 2002, let me say on behalf of the industry, we are appreciative that the Fed is seeking input and has given such considered thought to the crafting of the proposed regulations.
As part of this consideration, I hope that you and your team will give and consideration, and proper weight, to the comment letter submitted by the Network Branded
Prepaid Card Association (NBPCA). This association represents market leadership of the prepaid industry and the comments are a result of broad input and extensive thought on the implications of the proposed regulations. The letter reflects input from organizations that must come together across multiple service and product areas to deliver prepaid products to governments, consumers and businesses. The letter offers well thought out and reasonable solutions to a number of the most challenging issues raised by the proposed regulations. Incorporating the proposed solutions into the final regulations would minimize the unintended negative consequences of the new rules, and protect consumers and businesses who are relying on these cards for their unique services, especially in a credit crunched market where everyone is trying to avoid debt, interest, and high overdraft charges.

2 key focuses of the network branded prepaid industry include:
1) continue to increase the efficiency and security of current prepaid products
2) introduce new payment products to address unmet needs and wants in payments across many groups (consumers, businesses, government) .

Multiple surveys have shown consumer satisfaction with gift cards to be]80% and a high % of people placing them top on their gift wish list.

As a consumer of prepaid cards, I give the network branded gift cards very often as part of a conscious and informed choice to give the right gift to the right individual. In holiday shopping this year, I selected these cards and gladly paid the $5.95 per card fee because
1) I knew the gift would be appreciated and spent quickly (and not returned or stuck in the back of
the closet),
2) It was easy, quick, and part of the other errands i was running in taking

care of a family of 6, with a large extended family
3) I didn't have to wrap, pack and fork over a pile of cash to mail (for other gifts I'm up to $150+ and counting...making me REALLY plan for more gift cards next year)

In an anecdotal survey, I asked my 6th grade son and his Boy Scout buddies to each take a card and answer questions for me:
1. What is the purchase price
2. What is the expiration date
3. Where would you put this on the list of preferred gifts for Christmas

They answered correctly #1-2, and for #3, put it at the top of the list (guess they are tired of duplicate video games and ugly sweaters)
While some letters you've received are not positive, I'd urge you to also read those that come from happy consumers, and to read some of the blog sites with positive postings. Our industry is young and our association even younger, so we are not the PR and social media machine that the consumer advocate groups have, thus you may read more negative postings than positive in your inbox. Please do not weigh the consumer satisfaction by the number of letters received.

Many of the letters i've read do not differentiate between network branded and retailer branded gift cards, and give anecdotal examples of those with behaviors outside the norm of most card users. I believe consumers should be protected, and thus full disclosure to give consumers a choice amongst the many products in a highly competitive market is essential. That said,t I also want to have many gift card choices and not have these unique products so weighed down by the additional cost of regulation that the purchase price goes up or the number of gift card options goes down.

Buying gift cards is not a necessity, it is a choice. Surveys tell us that consumers find the terms and
conditions very well disclosed and that consumers feel capable of making an informed choice.
Thank you for your thoughtful review and consideration of my thinking above in support of gift cards and
the NBPCA's comment letter.

Kirsten Trusko