



**Network Branded Prepaid Card Association**

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June 22, 2011

Via Email

Chairman Ben S. Bernanke  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Proposed Regulations Governing Interchange Fees, Routing and Exclusivity Restrictions and other related issues.

Dear Chairman Bernanke:

We understand that, on June 29, 2011, the Federal Reserve Board of Governors will be meeting to consider the “Proposal Governing Debit Card Interchange Fees, the Fraud Prevention Adjustment, Routing and Exclusivity Restrictions and related matters.”

We submit this letter on behalf of the Network Branded Prepaid Card Association (“NBPCA”) to address a single crucial issue: *timing*.

The NBPCA is a non-profit trade association that is focused on delivering quality network branded prepaid card products to consumers, businesses and governments. Millions of Americans use network branded prepaid cards for the choice and protection they provide, including unbanked or underbanked consumers who would not otherwise have a way to participate in our card-based economy, as well as recipients of government benefits who need an efficient way to receive their child support payments, food stamps or unemployment payments.

It now appears that there will be less than 30 days between the issuance of final interchange fee rules and the statutory effective date of July 21, 2011. With this very short timeframe, it will be clearly impossible for networks and processors to implement systems to facilitate processing of exempt cards, to implement new fraud prevention mechanisms, and similarly impossible for card issuers to reissue new cards that comply with the proposed routing and exclusivity requirements.

Indeed, even if we had the full statutorily mandated 90-day lead-time, our members advise that 90 days would still be insufficient, given the complexity of the technological, contractual, manufacturing and procedural changes required. We believe that a too-short implementation time will cause substantial disruption of the US financial systems, as well as severe hardship on the many that rely on prepaid payment products.

We therefore urge the Federal Reserve Board to take all necessary steps to ensure that the final regulations provide for adequate time to allow for a smooth and effective implementation of the new rules. Our members have instructed us that they believe the implementation for the interchange regulations will require at least 12 months. If such interchange implementation occurs at the same time that the industry must also provide for new fraud prevention mechanisms, compliance with the new rules would likely require at least 18 months. Moreover, compliance with the routing regulations (especially if alternative B is selected) will require at least 24 months.

Thank you for your consideration on this important issue. The prepaid card industry fully intends to comply with both the letter and the spirit of these new rules. However, on behalf of the federal, state and local governments that rely on these products, on behalf of the universities, corporations and employers who utilize these products, and on behalf of the millions of consumers who use prepaid cards on a daily basis, we ask only for additional time to ensure that any unnecessary disruption is avoided.

Again, our grateful thanks for any assistance you can provide. If you have any questions, please do not hesitate to contact us at (201) 746- 0725.

Sincerely,



Kirsten Trusko

President & Executive Director

NETWORK BRANDED PREPAID CARD ASSOCIATION