



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

January 28, 2016

Mr. Lewis Goodwin
President and Chief Executive Officer
Green Dot Bank
3465 East Foothill Boulevard
Pasadena, California 91107

Dear Mr. Goodwin:

This letter responds to your request, dated September 18, 2015, on behalf of Green Dot Corporation, Pasadena, California (“Green Dot”), and its wholly owned subsidiary, Green Dot Bank, Provo, Utah, for approval to engage in offering a new secured credit card, pursuant to commitments that Green Dot and Green Dot Bank made to the Board in connection with the purchase of certain assets and assumption of certain liabilities of GE Capital Retail Bank, Draper, Utah. This secured credit card would initially be fully secured by a cash deposit credit to an account with Green Dot Bank; however, based on consideration of the customer’s payment history, the customer may be eligible for an unsecured increase in the line of credit

[REDACTED]

Green Dot Bank received approval from the Board to purchase certain assets and to assume certain liabilities of GE Capital Retail Bank on November 22, 2013. In approving that transaction, the Board relied on commitments that Green Dot and Green Dot Bank provided to the Board. Among other things, these commitments require Green Dot and Green Dot Bank to obtain prior regulatory approval from the Federal Reserve prior to consummation of any proposed major deviation or material change from its previously submitted business plan.

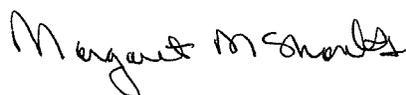
To date, Green Dot and Green Dot Bank have complied with all commitments made to the Federal Reserve and maintained satisfactory risk management practices. In addition, Green Dot Bank has an “Outstanding”

Community Reinvestment Act rating and a satisfactory consumer compliance record. Green Dot Bank has a proven track record in managing its prepaid cards and has undertaken significant preparation to launch the proposed product. Green Dot's preparation includes compliance controls to manage consumer protection risks, including those targeted by section 5 of the Federal Trade Commission Act (which prohibits unfair or deceptive acts or practices). The secured credit card program will be managed and monitored by an experienced management team with a broad range of expertise, and credit risk management for these cards will be consistent with Green Dot Bank's current board-approved policies. Moreover, Green Dot Bank will update its policies to address issues specific to credit card lending.

The offering of a new secured credit card will provide Green Dot and Green Dot Bank the opportunity to diversify their revenue streams and reduce reliance on the prepaid debit card business without a substantial increase in the risk profile of either institution. In addition, the product may provide benefits to consumers, including the potential to improve their credit histories, and appears to offer pricing and terms that are favorable to consumers.

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 CFR 265.7(a)(2)), and after consulting with the General Counsel, has approved your request on behalf of Green Dot and Green Dot Bank to engage in offering the credit card described above. This action is based on the representations and commitments set forth in all of your communications and in correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which Green Dot and Green Dot Bank may be subject.

Very truly yours,



Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Gerald Tsai, Director
Federal Reserve Bank of San Francisco