



REPORT TO CONGRESS

Government-Administered, General-Use Prepaid Cards

December 2025



Section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which added section 920 to the Electronic Fund Transfer Act, requires the Federal Reserve Board (Board) to report annually to Congress on the prevalence of the use of general-use prepaid cards in federal, state, or local government-administered payment programs and on the interchange fees and cardholder fees charged with respect to the use of such cards.¹ This report provides information for calendar year 2024.

[Appendix A](#) provides background on the survey's methodology, and [appendix B](#) contains historical data collected from the survey.

The Board distributed a survey to 18 issuers to collect prevalence-of-use and fee data on federal, state, and local government-administered payment programs that used network-branded general-use prepaid cards as a method to disburse funds in calendar year 2024.² All 18 issuers responded to the survey, reporting data for approximately 1,200 programs.³ The Board also collected a limited amount of prevalence-of-use data from the U.S. Department of Treasury as well as additional prevalence-of-use data related to electronic benefit transfer (EBT) transactions from the U.S. Department of Agriculture and two nonbank financial institutions that process EBT transactions.⁴ The data collected represent programs from all 50 states and the District of Columbia.⁵

¹ 15 U.S.C. § 1693o-2(a)(7)(D). See “Government-Administered, General-Use Prepaid Cards” on the Board’s website at <https://www.federalreserve.gov/publications/government-prepaid-executive.htm>.

² “Government-Administered, General-Use Prepaid Card Survey—Issuer Survey,” FR 3063a, OMB No. 7100-0343. The FR 3063a survey is conducted annually to collect information for this report.

³ The pool of reported programs changes over time because programs may be transferred to other issuers, and because government agencies may add or eliminate programs and may alter disbursement methods for existing programs. Issuers self-reported the number of programs included in their responses. Some issuers were unable to distinguish between multiple government-administered payment programs that disburse funds on the same general-use prepaid card. The number of programs, therefore, represents a lower-bound approximation. Issuers occasionally partner with third-party program managers that contract directly with government agencies. In these cases, issuers may not have access to some data requested in the survey.

⁴ Program counts were not available from these agencies and nonbank financial institutions.

⁵ Programs include, but are not limited to, (1) federal benefit programs, such as Social Security (Old-Age, Survivors, and Disability Insurance), Supplemental Security Income (SSI), and Veterans Affairs programs; (2) EBT programs, such as Temporary Assistance to Needy Families (TANF); (3) payroll programs; (4) unemployment insurance programs; (5) child support programs; (6) reimbursement programs; (7) disaster relief programs; (8) petty cash programs; and (9) Supplemental Nutrition Assistance Program (SNAP).

Prevalence of Use

All Government-Administered, General-Use Prepaid Cards

For calendar year 2024, government agencies disbursed \$183.2 billion through government-administered, general-use prepaid cards across roughly 1,200 programs.⁶

- Government-administered, general-use prepaid card disbursements in state and local programs totaled \$141.0 billion.
- Government-administered, general-used prepaid card disbursements in federal programs totaled \$42.2 billion.

Government-Administered, General-Use Prepaid Cards Excluding EBT Cards

- For calendar year 2024, government-administered, general-use prepaid card disbursements excluding EBT cards totaled \$73.1 billion.
- For calendar year 2024, the number of transactions settled using government-administered, general-use prepaid cards excluding EBT cards totaled 941.4 million with a total value of \$38.4 billion.

Fees Received by Issuers

- For calendar year 2024, issuers of government-administered, general-use prepaid cards excluding EBT reported collecting roughly \$296.5 million in interchange fees.⁷
- For calendar year 2024, issuers of government-administered, general-use prepaid cards excluding EBT reported collecting roughly \$126.6 million in cardholder fees.⁸

⁶ Funds disbursed onto government-administered, general-use prepaid cards that were ultimately returned to government agencies are excluded from this figure. The value of funds returned to government agencies is de minimis.

⁷ There are no interchange fees associated with EBT card programs. Instead, states generally pay an issuer or processor based on the number of beneficiaries enrolled in a program per month. Transactions performed using government-administered, general-use prepaid cards are one of several categories of debit card transactions that are exempt by statute from the interchange fee standards of Regulation II. Regulation II limits the amount of any interchange fee that an issuer may receive with respect to a debit card transaction. See 12 C.F.R. § 235.3. In addition to debit card transactions performed with government-administered, general-use prepaid cards, certain other categories of debit card transactions are exempt by statute from Regulation II's interchange fee cap. See 12 C.F.R. § 235.5.

⁸ For cardholder fees, government offices negotiate rates for each program with issuers and often restrict the number and type of cardholder fees an issuer can charge. Consistent with previous reports, the Board calculated all fee-related figures using data collected through the issuer survey for the population of network-branded government-administered, general-use prepaid cards excluding EBT cards. For EBT card programs, states generally pay an issuer or processor based on the number of beneficiaries enrolled in a program per month, in part because there are no interchange fees associated with these EBT card programs. Certain cardholder fees, such as a fee for card replacement, may also apply to EBT programs.

Appendix A. Background

Federal, state, and local government offices use government-administered, general-use prepaid cards to disburse funds at a lower cost than checks (or other paper-based payment instruments, such as vouchers or coupons) and to provide an alternative to direct deposit for payment recipients, frequently recipients who do not have bank accounts. As a result, government offices contract with financial institutions, known as issuers, to issue prepaid cards, disburse program funds, and provide customer service. Occasionally, third-party program managers are involved in government-administered, general-use prepaid card programs.

Issuers often contract with program managers to provide services traditionally carried out by the issuer. In certain cases, a program manager contracts directly with the government office and provides almost all functions that are traditionally carried out by an issuer. A general-use prepaid card program is considered government-administered regardless of whether a federal, state, or local government office operates the program or outsources some or all functions to third parties, so long as the program is operated on behalf of a government office. In addition, a program may be government-administered even if a federal, state, or local government office is not the source of funds for the program it administers. For example, child support programs are government-administered programs even though individuals fund them.

The Board identified issuers to survey by consulting with Visa and MasterCard. The Board reviewed the data submitted by survey respondents for completeness, consistency, and anomalous responses. Where possible, the Board resolved identified issues by following up with respondents and by replacing incomplete, inconsistent, or anomalous data elements with imputed values. In computing a given summary statistic for this report, the Board excluded responses with unresolved issues that affected the calculation's inputs. Although the Board makes a comprehensive effort to identify and resolve issues in the reported data, some issues may not have been identified or resolved by the time this report was published.

For definitions of the various cardholder fees mentioned in this report, see “Government-Administered, General-Use Prepaid Card Survey—Issuer Survey,” FR 3063a, OMB No. 7100-0343, https://www.federalreserve.gov/paymentsystems/files/FR3063a_government_issuer_survey_2024.pdf.

Appendix B. 10-Year Program Data

Table B.1. Total programs funded, prevalence of use, and total fees received by issuers from government-administered, general-use prepaid cards, 2014–24

Millions of dollars

Item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total programs funded	889	2,251	2,862	3,013	3,176	2,157	1,006	1,436	1,448	1,325	1,172
Prevalence of use of all government-administered, general-use prepaid cards											
Disbursement of federal programs	31,240.3	34,909.8	33,938.8	36,485.0	37,791.3	37,650.2	53,721.1	60,060.8	41,436.1	41,863.3	42,153.8
Disbursement of state and local programs	116,713.1	114,653.0	111,759.0	107,428.2	98,768.1	98,659.7	355,175.0	303,153.3	169,068.8	146,502.6	141,023.7
Total disbursement	147,953.5	149,562.9	145,697.8	143,913.1	136,559.4	136,309.9	408,896.1	363,214.1	210,504.9	188,365.8	183,177.5
Prevalence of use excluding electronic benefit transfer (EBT) cards											
Total disbursement	68,891.8	71,644.0	71,096.8	72,300.6	73,779.4	72,731.2	302,904.3	198,941.0	79,921.4	76,171.9	73,097.4
Fees received by issuers											
Total interchange fees	309.6	330.6	328.2	332.6	340.1	333.2	1,038.6	722.3	360.0	339.9	296.5
Total cardholder fees	158.3	164.6	158.2	153.0	129.5	157.5	271.6	228.6	135.6	129.6	126.6