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## NEWS RELEASE

**For Immediate Release**

**April 15, 2005**

### **Value Cards:**

### **What Buyers should know**

#### **FINANCIAL LITERACY MONTH**

Governor Kempthorne has declared April as Financial Literacy Month. With an ongoing commitment toward the goal of financial literacy education in Idaho, the Department of Finance urges citizens to be financially savvy when considering the purchase of “stored-value cards”.

The prepaid/value card industry has grown considerably in the past several years and continues to evolve. The value card now provides a multitude of options - far outpacing the standard pre-funded card associated with the purchase of products or telephone services. Value cards can now be purchased for gifts, payroll cards, government benefit cards (such as food stamps), and transportation cards. Government benefits, payroll, and transportation value cards, as well as, value cards issued by Visa or MasterCard can also be reloaded. If the value card is a Visa or MasterCard, it may be used wherever Visa and MasterCard are accepted. Although value cards may be a convenient way to buy gifts for loved ones, or for use by those who do not have a bank account, there are “features” that buyers should know.

Based on the type of value card used, consumers need to be aware that possible “fees” may be associated with card usage. Such fees include: entrance/activation or maintenance fee, annual or monthly fee, point-of-sale fee or bill payment fee, to name a few. In addition, fees may be charged by the company who offers the card – *and* by the retailer accepting the card as payment for products or service.

If the value card is used in place of a checking account, buyers need to compare the costs of using a value card versus a checking account. Buyers should be aware of the provisions provided for value card protection in the event the card is lost or stolen.

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At this time, there is discussion as to how federal regulation will expand to include increased protection for value card buyers. Until increased protection is in place, consumers are urged to thoroughly read the fine print BEFORE purchasing value cards, so they are familiar with the characteristics of the card they are choosing.

For more information on value cards, contact the Idaho Department of Finance at 208-332-8002 or toll-free in Idaho 888-346-3378. The Department of Finance's website is <http://finance.idaho.gov>. You can also obtain more information on value cards from the Federal Trade Commission's website at [www.ftc.gov](http://www.ftc.gov).



*Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.*