

Gift Ideas

New Rules To Protect Those Who Buy Gift Cards

(NAPSA)—There's good news for those who purchase or use gift cards. New rules that took effect in August are designed to offer consumers increased protection.

The rules cover most gift cards purchased and used only at specific stores or groups of stores as well as branded gift cards (for example, cards with the familiar Visa, MasterCard, American Express or Discover logos) that can be used anywhere the brand is accepted.

There are limits, however. The new rules do not apply to other prepaid cards such as reloadable prepaid cards that are intended for use as a checking account substitute or cards that are given as a reward or as a promotion.

"The new rules make it easier for consumers to understand what they are purchasing," said acting Comptroller of the Currency John Walsh. "Improved disclosures and limits on fees and expiration dates protect the value of the purchase for consumers."

The new rules limit fees and expiration dates, require clear disclosure and provide for replacement cards.

Limits on Fees. Many gift card fees are now limited. Generally, fees can be charged only if you haven't used your card for at least one year, and you may only be charged one fee per month. These restrictions apply to fees such as dormancy or inactivity fees for not using your card, fees for using your card, fees for adding money to your card and maintenance fees.

Make sure you read the card disclosure carefully to know what fees your card may have.

Limits on Expiration Dates. The money on your gift card will



Experts say the new rules are designed to make it easier for consumers to understand what they are buying when they purchase a gift card.

be good for at least five years from the date the card is purchased. Any money that might be added to the card at a later date must also be good for at least five years. Any expiration date must be clearly disclosed on the gift card or its packaging.

Replacement Cards. If your gift card has an expiration date, you may still be able to use unspent money that is left on the card after it expires. For example, the card may expire in five years but the money may not expire for seven. If your card expires and there is unspent money, you can request a replacement card at no charge.

Disclosures. All fees must be clearly disclosed on the gift card or its packaging.

Experts at the Office of the Comptroller of the Currency encourage you to shop wisely and read the terms and conditions of all financial products you purchase, no matter how small the print or the value.

To learn more, visit www.HelpWithMyBank.gov.