

NATIONAL  
CONSUMER LAW  
CENTER



www.nclc.org

# Consumer Facts for Older Americans

## PREPAID DEBIT CARDS FOR SOCIAL SECURITY AND SSI

New Social Security and Supplemental Security Income recipients without a bank account now have the option of receiving benefits through a prepaid “Direct Express” MasterCard debit card instead of a paper check.

**Is the Direct Express Card better than a paper check?** For those without bank accounts, the Direct Express card has important benefits:

- **No check cashing fees.** Get cash free or for a small fee.
- **Receive money faster.** Funds will be available the day they are paid, without waiting for a check to arrive in the mail.
- **Convenience.** The card can be used anywhere a MasterCard debit card is accepted, including for telephone and online payments. Get cash from any bank, ATM or merchant who provides cash back.
- **Safety.** You don’t need to “cash” the entire payment at once, and funds stored on the card are safer than cash. You are protected from theft if you report the theft promptly.
- **Record keeping.** Statements are available detailing your purchases.

However, you must protect your card by safeguarding the personal identification number (PIN), by reviewing your statements regularly, and by being aware of the fees for some services.

### TIPS:

- **Sign up for regular monthly statements.** It is worth 75 cents/month to protect the card from unauthorized charges and to have a complete record of transactions.
- **Free cash.** One cash withdrawal is free per deposit at ATMs in the Direct Express network (see website below). Withdrawals are also free inside at the teller window at any MasterCard member bank (most banks) or by asking for cash back from a purchase.
- **Sign up for free deposit and low balance alerts** by telephone, email or text message.

**Are There Fees?** There is no sign-up or regular monthly fee for the card.

The *only* fees are:

- 90 cents for ATM withdrawals after the first free one per deposit (plus any surcharge from a non-network ATM)
- 75 cents for automatic monthly paper statement
- \$1.50 for automated telephone (IVR) transfers to another account
- 50 cents per bill for online bill payment
- \$4 for a replacement card after the first one each year
- \$13.50 for expedited delivery of a replacement card
- \$3 for international ATM withdrawals
- 3% for purchases or withdrawals in an international currency

**How do I know how much money is on the card?** You can call customer service or check the balance online or at an ATM for free. You can also sign up for free text, telephone or email messages to alert you when a deposit is made or your balance slips below an amount you pick.

**Will I get a statement?** You can view the last 90 days of activity online. You can sign up for a regular paper monthly statement for \$0.75/month or get one for free from time to time by calling customer service.

**Is the money on the card safe?** The funds are FDIC-insured. If your card or password is lost or stolen, you can get a replacement card or change the password. If someone makes an unauthorized charge, you are liable for no more than \$50 if you report the loss or theft within two business days of learning about it.

**Can I get the Direct Express Card if I have a bank account?** Yes, but you will have to ask. Direct deposit into a bank account is better for most people, but if you have debts that might lead a debt collector to garnish your account, the Direct Express card is safer because it cannot be frozen except for child support, alimony, and debts to the federal government like taxes and student loans.

**What if I still want a paper check?** If you prefer to receive a paper check, you can ask for one.

#### **Useful information:**

U.S. Treasury Department's Direct Express information:

<http://www.fms.treas.gov/directexpresscard>

Direct Express Enrollment: <http://www.USDirectExpress.com> (also has surcharge-free ATM locations) or (977) 212-9991

Consumer Information for Seniors and Others:

[http://www.nclc.org/issues/seniors\\_initiative/information.shtml](http://www.nclc.org/issues/seniors_initiative/information.shtml)

*This publication was supported in part by a grant, number 90AP2647, from the Administration on Aging, Department of Health and Human Services, Washington, D.C. Grantees undertaking projects under government sponsorship are encouraged to express freely their findings and conclusions. Points of views or opinions do not, therefore, necessarily represent official Administration on Aging policy. June 2008*