

## The CFPB's Prepaid Card Rule: Protecting Alaska Consumers

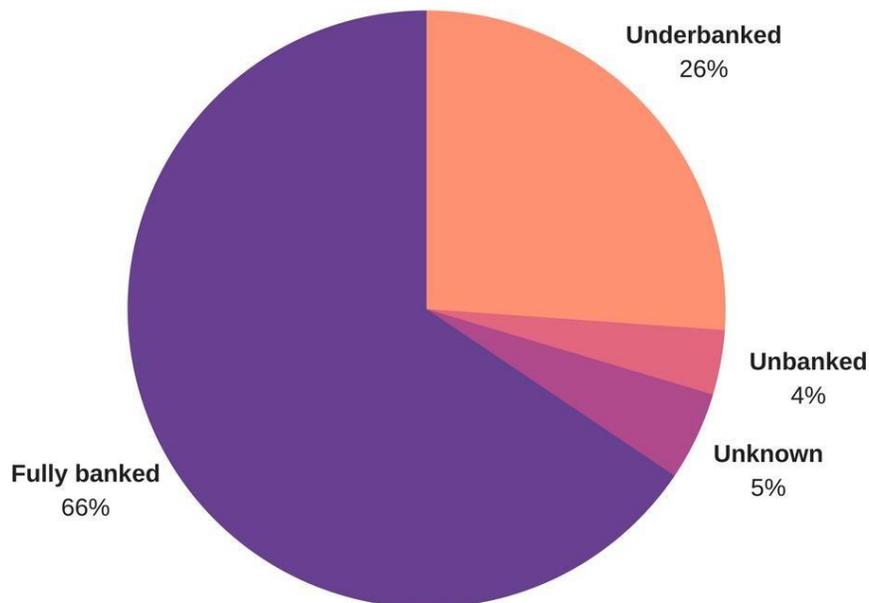
A [new rule](#) from the Consumer Financial Protection Bureau gives all prepaid cards the **basic fraud protections** that cover debit cards; provides a [simple, uniform chart](#) to prevent **hidden fees**; tells employees about the **fees on payroll cards** and their **choices for receiving wages**; and limits **unaffordable overdraft features** on the few prepaid cards with overdraft fees. It is a common-sense rule that will benefit not only consumers but also **banks, credit unions and employers** that offer low-fee cards or are asked to cash payroll cards from other companies.

### Who in Alaska Uses Prepaid Cards?

Prepaid cards are often Visa/MasterCard-branded and are like debit cards, but no bank account or credit check is required. Prepaid cards are used by:

- Underbanked households who can't get a bank account or have had trouble with overdraft fees.
- Rural Alaskans far from a bank or credit union, who may use a card like the [QuyanaCARD](#).
- Employers such as Walmart, KFC, McDonalds and Home Depot, who pay wages on [payroll cards](#) to employees without bank accounts.
- Federal and Alaska agencies for [Social Security](#), [unemployment compensation](#) and [child support](#) payments.
- College students, who may get a card like the [Denali Federal Credit Union prepaid card](#) to control expenses, or may receive a campus debit card from their school.

### ALASKANS BY BANKING STATUS (2015)



Source: FDIC

**More Alaska households** are [unbanked or underbanked](#) (30%) than nationally (27%). Lower-income, less-educated, younger, native, black, and working-age disabled households are especially likely to use prepaid cards, according to the [FDIC's National Survey of Unbanked and Underbanked Households](#).

**The CFPB prepaid rule protects Alaskans from fraud and hidden fees.**