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.

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.