



FACT SHEET

Visa Prepaid & the Financially Underserved

WHAT DOES IT MEAN TO BE FINANCIALLY UNDERSERVED?

According to the FDIC, one in four U.S. Households are underserved – they either do not have a bank account or elect to conduct basic financial services through alternative providers. By Visa estimates, these consumers pay more than \$1 billion annually in check cashing fees and rely heavily on cash for everyday transactions.

THE ROLE OF PREPAID PRODUCTS IN MEETING THE NEEDS OF THE UNDERSERVED

Those lacking a traditional banking relationship or credit card typically cannot participate in many activities consumers might take for granted such as having timely, secure access to funds; receiving wages through direct deposit; paying bills and making other purchases online or by phone; and reserving goods or services, such as a hotel room.

Visa prepaid cards can help financially underserved consumers move from a costly, inefficient cash-and-carry lifestyle to a more convenient and secure way of managing their funds. The cards access a designated pool of funds without directly linking to a bank account or line of credit. Visa prepaid cards are issued by regulated financial institutions, are FDIC or NCUA-insured and meet regulations at the state and federal levels.

Access to electronic payments can help empower financially underserved individuals, providing them with more choice and greater control over their money and enabling their inclusion in the financial mainstream.

VISA PREPAID CARD BENEFITS

Prepaid cards have the potential to help bring those operating outside traditional banking relationships into the financial mainstream and deliver meaningful benefits:

- Money management and control – Cardholders have the ability to track purchases and spend within their means
- Security – Visa’s Zero Liability* protects cardholders against fraudulent purchases, a protection not offered by cash or checks
- Convenience – Cardholders enjoy immediate access to funds, faster transactions, and the ability to make purchases and pay bills in stores and online
- Acceptance – Visa prepaid cards are accepted at millions of merchants worldwide

Visa Enhancements

Visa continually innovates to ensure Visa prepaid cards deliver on their promise in meeting the needs of the underserved.

- Reload – Visa ReadyLink** enables consumers to add funds to their Visa reloadable prepaid cards in more than 50,000 everyday shopping locations nationwide - like convenience stores,

*The Visa Zero Liability policy covers U.S. - issued cards only and does not apply to ATM transactions, PIN transactions not processed by Visa, or certain commercial card transactions. Cardholder must notify issuer promptly of any unauthorized use.

**Visa ReadyLink is not offered on all prepaid cards. Look for the Visa ReadyLink symbol on the back of the card and at participating merchants.

supermarkets, and ATMs. Prepaid card providers may also offer their own reload network options.

- Partial Authorization – Makes it easier for cardholders to split tender when the total purchase amount exceeds the available funds on the card
- Auto-Substantiation – Automatically verifies qualified purchases for programs with restrictions

RELOADABLE VISA PREPAID PRODUCTS

Visa prepaid cards may be purchased by a consumer; provided by a government agency for the disbursement of benefits; or offered by an employer as a payroll or benefits option.

Reloadable Cards Available for Purchase

Visa partners currently offer reloadable Visa prepaid cards and other consumer prepaid products in 90,000 U.S. merchant locations as well as online and through financial institutions. Visa prepaid partners offer feature-rich products with services such as: text alerts, online money management tools and bill pay.

Consumers have a range of options from which they can select the card that is right for them. Issuers/Program managers set consumer fees for the purchase and use of a Visa prepaid card. As with any financial product, consumers should understand any fees as well as the terms & conditions.

Government Disbursement

Reloadable prepaid cards answer the needs of government agencies to more efficiently and effectively deliver services. Today, approximately 40 states are using Visa prepaid products across more than 100 programs to distribute child support, unemployment, and other social benefits. These programs help reduce fraud and save millions of tax dollars by eliminating wasteful postage and processing costs associated with checks while providing recipients a timely, secure, cost-effective and convenient way to receive and access their funds.

Payroll

For companies, reloadable prepaid cards offer an efficient alternative to cumbersome paper paychecks, allowing employers to expand electronic pay by offering an alternative to direct deposit for employees who do not have a bank account. Employees enjoy secure, reliable, timely receipt of their pay and convenient access to their funds.

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