Prepaid Account Coverage Chart (page 1)

The criteria for whether an account is a prepaid account under the Prepaid Rule are set forth in 12 CFR 1005.2(b)(3). This chart illustrates those criteria and can be used to help determine if an account is a prepaid account under the Prepaid Rule. It should not be used for any other purpose, such as determining if an account is subject to other provisions of Regulation E or other legal requirements. Additionally, using this chart is not a substitute for reviewing the Prepaid Rule. To use the chart, follow the steps below.

<table>
<thead>
<tr>
<th>Step</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the account established primarily for personal, family, or household purposes?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the account held by a financial institution under a bona fide trust arrangement?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Is the account a payroll card account?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Go to page 2 to determine if the account is a payroll card account.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the account a government benefit account?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Go to page 3 to determine if the account is a government benefit account.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the account marketed or labeled as “prepaid” (i.e., promoted or advertised using the term “prepaid”) and redeemable upon presentation at multiple, unaffiliated merchants for goods or services or usable at ATMs?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Go to page 4 to determine if the account meets these criteria.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Is the account issued on a prepaid basis in a specified amount?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Is the account capable of being loaded with funds after issuance?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>See page 6 for more information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the primary function of the account to conduct transactions for goods and services with multiple, unaffiliated merchants, or at ATMs, or to conduct person-to-person transfers?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>See page 6 for more information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the account a checking account, share draft account, or negotiable order of withdrawal (NOW) account?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Does an exclusion apply?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>See page 5 to determine if an exclusion applies.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The account is a prepaid account under the Prepaid Rule.

The account is not a prepaid account under the Prepaid Rule.
Prepaid Account Coverage Chart (page 2)

Follow the steps below to determine if an account is a payroll card account under the Prepaid Rule. The criteria for whether an account is a payroll card account under the Prepaid Rule are set forth in 12 CFR 1005.2(b)(3)(i)(A). This chart illustrates those criteria, but is not a substitute for reviewing the Prepaid Rule.

Is the account established directly or indirectly through an employer?

- Yes
- No

Are recurring electronic fund transfers (EFTs) of a consumer’s wages, salary, or other employee compensation made to the account?

Notes:

- EFTs must be recurring.
- A payroll card account does not include an account used only in isolated instances, such as when providing final payment of wages or in an emergency.
- A payroll card account does not include an account used solely to disburse incentive-based payments (other than commissions), which are unlikely to be an employee’s primary source of compensation, or other payments that are unrelated to compensation, such as petty cash reimbursements or travel per diems.

- Yes
- No

The account is a payroll card account and a prepaid account under the Prepaid Rule.

The account is not a payroll card account under the Prepaid Rule, but may be a prepaid account under different criteria.

Return to page 1 to determine if the account is a prepaid account.
Follow the steps below to determine if an account is a government benefit account under the Prepaid Rule. The criteria for whether an account is a government benefit account under the Prepaid Rule are set forth in 12 CFR 1005.15(a)(2). This chart illustrates those criteria, but is not a substitute for reviewing the Prepaid Rule.

**Prepaid Account Coverage Chart**

Is the account established by a government agency?
- **Yes**
- **No**

Is the account established for the purpose of electronically distributing government benefits to a consumer?
- **Yes**
- **No**

Are the benefits needs-tested benefits?
- **No**
- **Yes**

Are the government benefits provided as part of a program established under state or local law? **OR**
- Are the government benefits provided as part of a program administered by a state or local government agency?
- **No**
- **Yes**

- ✔️ The account is a government benefit account and a prepaid account under the Prepaid Rule.
- ❌ The account is not a government benefit account or a prepaid account under the Prepaid Rule.
- The account is not a government benefit account under the Prepaid Rule, but may be a prepaid account under different criteria. Return to page 1 to determine if the account is a prepaid account.
Prepaid Account Coverage Chart (page 4)

Follow the steps below to determine if an account is marketed or labeled as “prepaid” and redeemable upon presentation at multiple, unaffiliated merchants for goods or services or usable at ATMs. The criteria under the Prepaid Rule are discussed in 12 CFR 1005.2(b)(3)(i)(C) and comment 2(b)(3)(i)(C). This chart illustrates those criteria, but is not a substitute for reviewing the Prepaid Rule.

1. Does the financial institution, its service provider (including the program manager), or the payment network promote or advertise the account using the label “prepaid”?
   - Yes
   - No

2. Does the financial institution, its service provider (including the program manager), or the payment network contract with another party to promote or advertise the account using the label “prepaid”?
   - Yes
   - No

3. Is the account redeemable upon presentation at multiple, unaffiliated merchants for goods or services or usable at ATMs?
   - Yes
   - No

- The account is marketed or labeled as “prepaid” and is redeemable at multiple unaffiliated merchants for goods and services or usable at ATMs, but may be excluded from the definition of prepaid account under the Prepaid Rule.
  
  Go to page 5 to determine if an exclusion applies.

- The account is not a prepaid account because of the way it is marketed or labeled, but might be a prepaid account under different criteria.
  
  Return to page 1 to determine if the account is a prepaid account.
Prepaid Account Coverage Chart (page 5)

Follow the steps below to determine if an exclusion applies under the Prepaid Rule. The criteria for whether an account is excluded from the definition of prepaid account under the Prepaid Rule are set forth in 12 CFR 1005.2(b)(3)(ii). This chart illustrates those criteria, but is not a substitute for reviewing the Prepaid Rule.

Is the account directly or indirectly established through a third party and loaded only with qualified disaster relief payments (i.e., funds made available through a qualified disaster relief program under 26 USC 139(b))?
- No
- Yes

Is the account loaded only with funds from a health savings account, flexible spending arrangement, medical savings account, health reimbursement arrangement, dependent care assistance program, or a transit or parking reimbursement arrangement?
- No
- Yes

Is the account a gift certificate? See 12 CFR 1005.20(a)(1) and (b) for the definition of gift certificate.
- No
- Yes

Is the account a store gift card? See 12 CFR 1005.20(a)(2) and (b) for the definition of store gift card.
- No
- Yes

Is the account a loyalty, award, or promotional gift card? See 12 CFR 1005.20(a)(4) and (b) for definitions. NOTE: Certain rebate cards may be excluded as loyalty, award and promotional gift cards. See Comment 20(a)(4) for more information and other examples of loyalty, award, and promotional gift cards.
- No
- Yes

Is the account a general-use prepaid card (as defined in 12 CFR 1005.20(a)(3) and (b)) that is both marketed and labeled as a gift card or gift certificate?
- No
- Yes

Is the account established to distribute needs-tested benefits in a program established under state or local law or a program administered by a state or local agency?
- No
- Yes

Is the account established by or through the U.S. government and its primary function is to conduct closed-loop transactions on U.S. military installations or vessels, or similar government facilities?
- No
- Yes

✔ No exclusions apply. The account is a prepaid account under the Prepaid Rule.

The person-to-person functionality of the account is not a prepaid account under the Prepaid Rule. Other functionalities of the account may be a prepaid account under the Prepaid Rule. Return to page 1 to determine if any other functionality of the account is a prepaid account.

❌ An exclusion applies, and the account is not a prepaid account under the Prepaid Rule.
Prepaid Account Coverage Chart

Review the information below to help you determine if an account is a prepaid account under the Prepaid Rule. The criteria for whether an account is a prepaid account under the Prepaid Rule are set forth in 12 CFR 1005.2(b)(3) and related commentary. This chart provides information about some of those criteria, but is not a substitute for reviewing the Prepaid Rule.

Issued on a Prepaid Basis

An account is issued on a prepaid basis if it is loaded with funds when it is first provided to the consumer for use. It does not need to be reloadable. If a product can only store payment credentials for other accounts but is incapable of having funds stored on it, it does not satisfy this prong of the definition. However, a product that allows a consumer to transfer funds, which can be stored before the consumer designates a destination for the funds, does satisfy this prong of the definition.

Capable of Being Loaded with Funds after Issuance

An account is capable of being loaded with funds after issuance if it can be loaded with funds by the consumer or a third party after it is issued. For example, if the account is issued with a zero balance but the consumer or a third party can load funds to the account after it is issued, it is capable of being loaded with funds after issuance. It does not need to be reloadable to satisfy this prong of the definition.

If a product can only store payment credentials for other accounts but is incapable of having funds stored on it, it does not satisfy this prong of the definition. However, a product that allows a consumer to transfer funds, which can be stored before the consumer designates a destination for the funds, does satisfy this prong of the definition.

Primary Function

To meet the “primary function” prong of the definition, the account’s primary function must be to provide consumers with general transaction capability, which includes the general ability to use loaded funds to conduct transactions for goods and services at multiple, unaffiliated merchants, or at ATMs, or to conduct person to person transfers. Accounts that provide such capability only incidentally do not satisfy this prong of the definition. For more information see comment 2(b)(3)(i)-8.