



Electronic Transactions Association Annual Meeting and Expo
April 15-17, 2008 - Mandalay Bay Resort & Casino - Las Vegas, Nevada

Banking on the Unbanked Prepaid Debit Cards

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A division of MetaBank



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Meta Payment Systems is a division of MetaBank, a federal savings bank regulated by the Office of Thrift Supervision.

Meta is a partner-centric payments company that specializes in working with corporations to deliver innovative payments solutions.

- Customers include industry leaders in the following categories:
 - Association / Networks
 - Processing Systems
 - Payment networks
 - Payroll, Re-loadable, Rebate/Rewards, Gift cards



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More and more banks and third-party distributors are looking to prepaid as a viable alternative to traditional banking products for the un-banked.

- > Participate in an emerging market estimated at over \$2 trillion
- > Diversify business and gain access to new potential customer base
- > Increase fee revenue or replace lost revenue from diminished business lines
- > Expand product lines to improve competitive position and increase customer loyalty
- > Cheaper, safer, and more efficient than cash & checks




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Risk, Compliance, & Regulatory Scrutiny

Risk
Fraud
Floor Limit Exposure

Compliance
MSB Licensing
Associations/Networks
State & Local
USA Patriot Act

Regulation
Money Laundering
Terrorist Activity
Privacy
Reg E
Escheatment




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Is prepaid the answer for the un-banked & under-served?

Payroll Cards
➤ Sold or offered through employer

Money Transmittance
➤ 2 Card pack model
➤ Variation of General Use model most often sold at retail

General Use
➤ Sold in retail locations or over the internet
➤ Temporary cards and PIN cards for instant issue
➤ Fee schedule based
➤ Enrollment success depends on channel



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Bank On a Card

- To provide a versatile, convenient, and safe means by which the 50+ million Americans deemed to be underbanked can transact
- To introduce the underbanked consumer to the banking system and the consumer protections it affords
- To provide convenient and quick access to funds
- To provide affordable access to traditional add-on services, such as bill payment, internet banking, and money transfer services



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Common Prepaid Card Features

- Customer can make recurring or one time loads on the card that can be used to pay for goods or services anywhere the card is accepted
- Cash available at any ATM
- Proceeds can be loaded from cash, another debit or credit card, a bank account, or direct deposit from an employer
- Fee structure typically includes an initial sales fee, monthly fee, cash reload fee, and ATM fees
- Access to networks of merchants where card can be loaded and reloaded
- Balances commonly FDIC insured



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New Ideas

- Small dollar line of credit
 - proceeds of which can be instantly loaded on the card with repayment coming from preauthorized transfer from the card
- Linked Savings Accounts
 - interest bearing savings account
- Online budgeting
- Overdraft Protection



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Thank
You!

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