

Federal Reserve Bank of San Francisco  
101 Market Street, San Francisco, California 94105

April 2, 2010

To State Member Banks, Bank  
Holding Companies, Financial Holding  
Companies, and Foreign Bank Offices  
in the Twelfth Federal Reserve District

**Federal Reserve Announces Final Rules to Restrict Fees and Expiration Dates on Gift Cards**

The Federal Reserve Board announced final rules on March 23, 2010 to restrict the fees and expiration dates that may apply to gift cards. The rules protect consumers from certain unexpected costs and require that gift card terms and conditions be clearly stated.

The final rules prohibit dormancy, inactivity, and service fees on gift cards unless: (1) the consumer has not used the certificate or card for at least one year; (2) no more than one such fee is charged per month; and (3) the consumer is given clear and conspicuous disclosures about the fees. Expiration dates for funds underlying gift cards must be at least five years after the date of issuance, or five years after the date when funds were last loaded.

The Board's rules generally cover retail gift cards, which can be used to buy goods or services at a single merchant or affiliated group of merchants, and network-branded gift cards, which are redeemable at any merchant that accepts the card brand.

The final rules are issued under Regulation E to implement the gift card provisions in the Credit Card Accountability Responsibility and Disclosure Act of 2009.

The final rules are effective August 22, 2010.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

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(415) 974-2955

**Attachments:** [Final Rules to Restrict Fees and Expiration Dates on Gift Cards](#)

[Highlights of Final Gift Card Rule](#)