

September 18, 2007

MEMORANDUM TO: Executive Secretary

FROM: Christopher L. Hencke
Counsel

SUBJECT: Memorandum Memorializing FDIC's
Participation in Meeting Sponsored by
American Payroll Association on
September 17, 2007, Relating to FDIC's
Proposed Rule on Stored Value Cards

On September 17, 2007, FDIC staff participated in a teleconference sponsored by the American Payroll Association ("APA"). The discussion related to the FDIC's proposed rule on stored value cards and other nontraditional access mechanisms. See 70 Fed. Reg. 45571 (August 8, 2005).

During this teleconference, the FDIC staff described the operation of the proposed rule. In turn, the members of the APA described the operation of payroll card systems. In addition, they described State laws applicable to payroll cards. This information from the APA is relevant because a payroll card is a type of stored value card. The insurance coverage of the funds underlying payroll cards and other stored value cards would be governed by the FDIC's proposed rule.