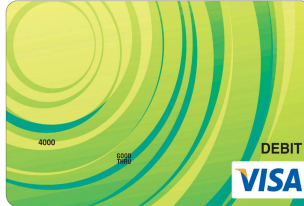




ICUL SERVICE CORPORATION
HELPING CREDIT UNIONS COMPETE



Pre-Paid Credit Unions

March 24, 2010

Final Federal Reserve Rule Published, Tuesday, March 23, 2010

The FRB Final Rule for Pre-Paid Cards has been published and is currently being reviewed by LSC. The rules protect cardholders from unexpected costs and require that GIFT card terms and conditions be clearly stated, as well as restrict fees and set expiration date guidelines.

Late last year, LSC made several changes to its Pre-Paid card programs in anticipation of the final rule. For example, the GIFT card expiration dates were extended to 5 years.

We will continue to make changes to the program as necessary for the Pre-Paid card Programs to be compliant with the FRB Final Rule. As we identify these and begin implementing such we will keep the credit union advised through e-mails, notices posted on the Pre-Paid website, and through our call center staff. **LSC is the issuer of record and is ultimately responsible for implementing the required compliance. Please direct your compliance questions to mailto:*Prepaidcompliance@ilcusys.org**

You should already have seen the call center pro-actively facilitating the management of the card inventories in an effort to minimize what is in the credit union that may need to be replaced. An inventory management tool may be found on the website or you may request this be sent to you by contacting the Pre-Paid staff at custservgiftcard@ilcusys.org.

LSC will be replacing the non-compliant inventory in early third quarter prior to the August 22, 2010 FRB Rule implementation.

Please continue to issue the cards in your inventory and order as necessary. Many of the changes will be done behind the scenes through systematic changes and with new cardholder notices.

Thank you for the support of the Pre-paid member card program.