

Jim Burns

To:

Subject: RE: rebate card covered under CH 29?

Dear

Based on the information presented in your email (text below) regarding the issuance of rebate-related cash cards, the Department is of the view that licensure under the Idaho Money Transmitters Act would not be appropriate.

Please let me know if you have further questions or need additional clarification.

Regards,

Jim Burns
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Idaho Dept. of Finance
Boise, ID
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From:

Sent: Thursday, April 24, 2008 11:17 AM

To: Jim Burns

Subject: rebate card covered under CH 29?

Mr. Burns, thank you for speaking with me this afternoon. At your request I am putting my question in writing. We have a client that is a Delaware State Chartered Bank who like to partner with a non-bank company in offering rebate cards to consumers through national retailers. The scenario is as follows: a consumer goes into say, Circuit City, makes a purchase. On his receipt there is a message that directs the consumer to go to a website to obtain a rebate of say \$50. The consumer goes to the website and provides his information and then a VISA branded rebate card is sent to him with a card holder agreement that spells out the terms and conditions of the card program. The card may be used any place a VISA card is accepted. The card is only good for the purchase of goods and services and may not be used at an ATM to receive cash. The card is not reloadable. There are fees to activate the card, get a replacement card, etc which are deducted from the face value of the card. The retailer, the marketer and the bank share the fees.

Since the consumer does not pay for the card, is this program subject to Idaho's Money Transmitter Act? Please let me know. Thank you!

Best regards,