

Press Releases

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OTS 07-012 - OTS Issues Gift Card Guidance

Office of Thrift Supervision

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For further information

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OTS Issues Gift Card Guidance

WASHINGTON, D.C. -The Office of Thrift Supervision (OTS) announced today the issuance of guidance on gift cards offered by OTS-regulated thrift institutions. The guidance is intended to assist institutions in ensuring adequate account administration, marketing, and sound consumer disclosure practices for gift card programs.

The guidance encourages more uniform practices among thrifts that offer gift card programs, and supports institution efforts to improve consumers' understanding of gift card features while also encouraging product innovation.

In issuing the guidance, the OTS noted that gift cards continue to grow in popularity and are projected to increase in volume. Currently, approximately 20 percent of OTS-regulated institutions offer some form of gift card program. OTS Director John Reich stated that, "The growth of gift card programs is a natural extension of the retail focus of the thrift charter. While we encourage innovation in product offering by OTS-regulated thrifts, it's important that we also ensure that institutions focus on the importance of disclosing and educating their customers regarding new and emerging retail products."

Pursuant to the guidance, thrifts must have adequate policies and procedures in place to administer gift card programs, as well as a framework to address inherent program risks. Thrifts must also ensure that they provide customers adequate information about the gift cards they offer, including disclosures on fees and expiration dates. Finally, the guidance reminds institutions on avoiding the use of misleading promotional materials.

The attached OTS gift card guidance (<http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-12a.pdf>) is also available at the OTS website under "Supervision/Issuances/Other Guidance" at www.ots.treas.gov.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of

other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.