

**QUESTIONS AND ANSWERS ABOUT ELECTRONIC BANKING SERVICES AND SAVINGS  
MARCH 14, 2011**

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**U.S. BANK RELIACARDS ARE A GOOD DEAL FOR OREGON AND FOR OREGONIANS WHO USE THEM  
CARDS OFFER MANY WAYS TO GET YOUR MONEY FOR FREE, AND THEY SAVE ALL OREGONIANS MONEY**

**WHAT ARE RELIACARDS?**

U. S. Bank ReliaCard is a prepaid bank card that is VISA-branded, and can be used the same way as debit cards at retailers or any other business that accepts VISA-branded cards. The cards are currently used by a number of state programs to provide payments to program recipients. Under the contract with U.S. Bank, all ReliaCard holders receive their card for free and have many options to withdraw and spend all of their money without ever paying a fee.

**WHO GETS RELIACARDS?**

The cards are provided to those who are receiving payments through the state for select programs such as child support or unemployment insurance. Those payments used to be made through mailed checks. The ReliaCard not the only option to receive those payments. Recipients can elect to have funds deposited for free into their own savings or checking account, as well as the option of providing their own prepaid card from another financial vendor, to which payments will be posted for free.

**I LIKED GETTING CHECKS BETTER. WHAT HAPPENED?**

Oregon is being a responsible steward of public resources, protecting public funds, and also protecting Oregonians that receive payments. Direct deposit and ReliaCard are part of the money-saving shift to electronic banking by the state. With electronic banking, the state is saving millions by reducing the number of checks (and the need to print, mail and process them). Electronic banking also reduces the opportunities for check fraud that can hurt every Oregonian.

In addition, with electronic banking, Oregonians have the ability to receive and access all their money for free, even if they don't have a bank account. Previously, many Oregonians were forced to pay expensive check cashing fees.

**HOW CAN YOU ACCESS YOUR MONEY ON A RELIACARD FOR FREE?**

All point-of-sale transactions are unlimited and free of charge. By using the "cash back" option at merchants that offer point-of-sale PIN transactions, cardholders have free access to cash as well. Cardholders also can withdraw money for free twice monthly at any U.S. Bank ATM or any VISA/PLUS-

branded ATM in the United States. Cardholders can also obtain cash via free teller withdrawals, two times per month, at any participating financial institution that accepts VISA at their teller window. These two options are in addition to the unlimited point-of-sale and cash back options.

#### IS THERE A FEE FOR USING THIS CARD TO PURCHASE GOODS AT A STORE?

No. These transactions are called point-of-sale transactions. The card will work just like any other VISA-branded card. For merchants that offer PIN debit, you can also request cash back without paying a fee.

#### BUT THERE ARE FEES, CORRECT?

Fees are possible if cardholders make more ATM or bank teller withdrawals than prescribed in the user agreement. Because of the unlimited point-of-sale and cash back options, however, it is always possible to use the card for free.

#### WHY DOES THE RELIACARD COMPARE FAVORABLY TO OTHER CARDS?

The ReliaCard in Oregon has lesser fees when it comes to cards offered by many other financial institutions and even some organizations. For instance, some competitor's cards charge users a monthly fee and charge a fee for every ATM withdrawal.

#### HOW ARE THE FEES DETERMINED?

Fees for certain services under the prepaid card program are negotiated by the state and outlined in the ReliaCard contract, which is disclosed to the cardholder when they receive their card. There are no fees to check a balance by ATM, phone, or web, and no monthly account or statement fees.

#### CAN CARDHOLDER BE CHARGED OVERDRAFT FEES?

Cardholders that receive government benefits are given the option to opt-in to overdraft coverage. At the cardholder's discretion, opting into overdraft coverage allows U.S. Bank to allow a transaction to occur without sufficient funds in the cardholders account and to charge an overdraft fee to their account. For cardholders that decline overdraft coverage or did not respond, U.S. Bank will not authorize ATM or prepaid card transactions if there are not sufficient funds in the cardholder's account. Simply put, the cardholder will be denied at the time of the transaction.

Opt in Overdraft coverage does not apply to other programs within the state prepaid card program such as Child Support, as they do not disburse government funds.

#### WHY ARE ELECTRONIC DEPOSITS BETTER FOR OREGON?

The state saves money from utilizing electronic funds transfer methods instead of manually processing checks. The Oregon Employment Department has realized more than \$11.5 million in savings by moving to electronic payment methods since October 2007. This cost savings to the state is not specific only to

the prepaid card program, but is a result of movement to electronic payments and away from paper checks. The state is also helping recipients of state payments to avoid check cashing fees.

#### WHY DID THE STATE CHOOSE U.S. BANK FOR RELIACARDS?

U.S. Bank was selected through a competitive bidding process in late 2004. Part of that bidding process was to ensure the best value for Oregonians.

#### HOW MUCH DOES THE U.S. BANK CONTRACT COST OREGON TAXPAYERS?

Nothing. The contract is free.

#### WHAT IF I DON'T WANT TO USE A RELIACARD? WHAT ARE MY OPTIONS?

Recipients can have funds deposited directly into a bank account for free. Alternatively, they can provide their own alternative prepaid card solution, available through a number of vendors. The state does not charge a fee to make deposits to alternative cards.

#### IF THERE ARE FEES, HOW IS THIS SAVING ME MONEY?

Because of the many options to withdraw money for free, including unlimited free point-of-sale transactions with "cash back" options, it is entirely possible to pay no fees at all. In addition, electronic banking saves time. Some bills can be paid online with a debit card, which saves time, money order and postage costs. Those who receive electronic payments from the state also are avoiding check-cashing fees.

#### WHY DID THE STATE NEGOTIATE FOR A LIMITED NUMBER OF FREE WITHDRAWALS AT ANY BANK?

Cardholders served by the prepaid card program are located throughout Oregon, in both rural and metropolitan areas. In addition, there are many Oregonians with limited transportation options who may not live near a particular bank.

It is the state's intent to ensure that all cardholders have the greatest opportunity to obtain access to their funds, and in a number of different ways. Access to funds via ATM, teller, and point-of-sale give the cardholder a variety of methods to access funds regardless of their physical location around the state and proximity to any particular bank. Importantly, all point-of-sale transactions, including cash back options, are unlimited and free.

#### HOW IS THE CONTRACT OVERSEEN?

Performance related to the contract is reviewed formally on at least an annual basis and ongoing operational issues are addressed throughout the year. The contract was renegotiated in August 2010 to add additional free withdrawals each month. The current contract expires December 31, 2011.