



Innovative Payments Association

777 6th Street, 11th Floor

Washington, DC 20001

202.548.7200

August 25, 2020

The Honorable Henry Beck
State Treasurer
State of Maine
39 State House Station
Augusta, ME 04333

RE: Maine Revised Unclaimed Property Act

Dear Treasurer Beck,

The Innovative Payments Association (“IPA”)^[1] is writing today to express our concerns with provisions of the Maine Revised Unclaimed Property Act (“the Act”). The IPA appreciates the opportunity to articulate in detail concerning items in the Act and hopes that this is the beginning of an ongoing constructive dialogue with you and your Office.

The IPA is concerned about the potential unintended consequences of Section 2066 of the Act, which prohibits fees or charges on “stored value obligations,” except for an initial issuance fee and a fee for each reload of funds thereafter. To the extent “stored value obligations” covers open loop or reloadable prepaid cards, the IPA notes that these products had previously been explicitly exempted in another section of the Maine code. In addition, Sec. 2066 appears to be inconsistent with the Revised Uniform Unclaimed Property Act (RUUPA)^[2], which was introduced by the Uniform Law Commission in 2016. RUUPA serves as a model act for drafting state unclaimed property laws and has been adopted either wholly or in some form by numerous states. Lastly, the Act appears to be inconsistent with the FAQs Maine’s [website](#)³ which suggests they only intend to cover gift cards. Thus, the IPA respectfully requests that the Maine Treasurer’s office clarify the Act is intended to cover only closed loop gift products.

Accordingly, the limitations outlined in the Act could ultimately harm Mainers by placing unnecessary restrictions on prepaid providers thereby threatening the viability of prepaid programs in Maine. In brief, the Act has the potential to negatively alter the market for a product that is legal to purchase in all fifty states, can be also used to disburse critical payments to consumers, and is federally regulated ([CFPB's Prepaid Rule](#), [CARD Act](#), etc.).

^[1] The IPA is a trade organization that serves as the leading voice of the electronic payments sector, including prepaid products, mobile wallets, and person-to-person (P2P) technology for consumers, businesses and governments at all levels. The IPA’s goal is to encourage efficient use of electronic payments, cultivate financial inclusion through educating and empowering consumers, represent the industry before legislative and regulatory bodies, and provide thought leadership. The comments made in this letter do not necessarily represent the position of all members of the IPA.

^[2] <https://www.uniformlaws.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=2b59cc67-dc0e-262b-db15-8189cbe6e0ec&forceDialog=0>

^[3] <https://legislature.maine.gov/lawlibrary/what-is-maines-law-on-gift-certificates-cards/9467>



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The continued availability of prepaid products in Maine is essential in helping Maine residents during the current global pandemic. As you may know, prepaid cards play a critical role in the distribution of federal and state benefits during the COVID-19 national emergency. Moreover, federal benefits, specifically Economic Impact Payments (EIP), which were authorized in the CARES Act, were disbursed onto prepaid accounts to ensure that Americans without traditional bank accounts receive their EIP as quickly, efficiently, and safely as possible. In short, prepaid cards offer a cheaper, more secure, and quicker alternative to paper checks.

At the same time, the continued strength of the prepaid card market in Maine is also key for consumers looking for alternatives to traditional banking, who often turn to emerging payments options to fill that gap. Prepaid cards function like traditional bank accounts by providing the speed and accessibility to keep up with the pace and technology of our everyday lives in a way checks and cash do not. As a result, millions of Americans, and increasingly more and more Mainers, are turning to prepaid accounts to manage their day-to-day financial needs.

The IPA and our members regularly work with policymakers, regulators, law enforcement, and merchants to identify, mitigate, and resolve consumer related issues. We would welcome the opportunity to work with you and your staff to expeditiously address these concerns and ensure that Mainers continue to be offered strong consumer protections and the ability to access funds through the safety and convenience that prepaid cards offer.

The IPA again appreciates the opportunity to share our views and concerns. If you have any questions or wish to discuss any issues, please contact me directly at btate@ipa.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Tate', is written over a horizontal line.

Brian Tate
President and CEO
IPA
(202) 507-6181