



## **FINANCIAL SERVICE CENTERS OF AMERICA**

### **Fact Sheet: FiSCA Offers the National Savings Program**

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*Revolutionary Partnership Provides “Virtual” Bank Accounts and No-Fee Savings Accounts to Unbanked Americans, Empowering Them to Save for the Future*

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In 2001, FiSCA realized that millions of Americans could benefit from a secure mechanism to handle the proceeds of their check cashing transactions. Since banks were not providing low-cost accounts to these consumers, FiSCA, at its own expense, partnered with NetSpend Corporation, an Austin, TX-based company, to fill this need. Together they pioneered the development of the first pre-paid stored-value card for this marketplace. The NetSpend debit cards (branded by Visa or MasterCard), act as virtual bank accounts, allowing consumers to store funds in a federally-insured account until needed. They also allow consumers access to electronic commerce. To date FiSCA customers have loaded over \$1.5 billion into these virtual bank accounts.

In 2005, FiSCA and NetSpend again joined forces to provide real savings opportunities for consumers who previously did not have access to traditional financial institutions, or chose not to use them. The National Savings Program resulted, offering an interest-bearing, FDIC-insured savings account linked to a prepaid branded Visa debit card. Now in its third year, this program remains the only one of its kind, offering competitive savings benefits and protections to all consumers without restriction.

#### **Only the National Savings Program offers consumers:**

- **FDIC-insured savings accounts currently earning 5% annual interest**
- **No minimum deposit to enroll in the program**
- **No minimum monthly balance to maintain**
- **No monthly service fees**
- **Convenient access to savings through their NetSpend All-Access Visa Prepaid Card**

#### **How does the National Savings Program work?**

- An individual purchases a NetSpend debit card at a participating financial service center that is a member of FiSCA. There are thousands of stores in neighborhoods across the country.
- NetSpend debit card holders can enroll in the savings program online or over the telephone.
- Once enrolled, a free FDIC-insured bank account is established for the cardholder.\*
- Funds can be conveniently transferred at no cost between the debit card and the savings account via the Web, automated phone system, or via a live NetSpend customer service agent.
- Cardholders can set up automatic, recurring transfers from their debit card to their savings account to encourage and facilitate easy savings.
- There is no fee to open a Savings Account. All new and existing NetSpend prepaid debit cardholders who originate accounts through a FiSCA member check-cashing location are eligible to sign up.

#### **Why is this significant?**

- Estimates of US households with no formal banking affiliation range from 10%-25%
- The National Savings Program provides financial service center customers with a simple, secure and convenient savings vehicle, giving millions of consumers a safe place to keep their money while creating a savings fund for long-term financial empowerment.
- These consumers can now access electronic and other commerce, from which they were previously excluded because they did not have credit cards.

#### **How successful is the National Savings Program?**

- To date, nearly 100,000 National Savings Program accounts have been opened nationwide.
- Participants have deposited more than \$66.5 million into their savings accounts.

\*Funds in the NetSpend National Savings Program accounts are held by Inter National Bank, in McAllen, Texas and insured by the FDIC.