



Stored Value Cards

A Stored Value Card (SVC) is a card that electronically tracks a user's spending. Commonly used SVCs include prepaid gift cards and phone cards, cards used to receive public benefits such as child support or unemployment payments, and payroll cards. Some SVCs are being offered as Refund Anticipation Loan (RAL) alternatives. These cards function like a debit card and can be used to make purchases and cash withdrawals, but are not linked to a bank account.

Some commercial tax preparers, as well as a few banks, offer SVCs as a way for people without bank accounts to receive their refund faster by having it directly deposited onto a card. Workers with payroll SVCs may be able to have their tax refund directly deposited into their account. The transaction fees and restrictions for SVCs vary greatly: some SVCs are a reasonable alternative to RALs and others cost the same as or more than RALs. Consumer protections are not guaranteed for these cards so careful research is required before Outreach Campaigns consider promoting them.

For details on how to evaluate SVCs, read: The National Consumer Law Center's "Building a Better Stored Value Card: Options for VITA sites," which can be downloaded at:

www.nclc.org/initiatives/refund_anticipation/content/BuildingBetterStoredValueCard.pdf.