



## Notice of De-obligation of Paper Food Coupons and Implications to Redemption Processes

On October 1, 2008, the Food, Conservation and Energy Act of 2008 renamed the Food Stamp Program as the *Supplemental Nutrition Assistance Program* (SNAP) in recognition of the fact that with increasing frequency program participants access their nutrition benefits with Electronic Benefit Transaction (EBT) cards versus stamps or coupons. The law also prohibits states from issuing paper coupons to program participants as of June 18, 2008. In addition, the law de-obligates paper coupons as legal tender one year from the date of enactment.

These program changes have implications for retailers and financial institutions that accept and redeem paper food coupons. Because of these changes it is important that retailers and financial institutions take note of the following dates:

- After **June 17, 2009**, authorized retailers must stop accepting paper coupons from program recipients.
- After **July 17, 2009**, retailers may no longer redeem paper coupons at their financial institutions for credit.
- After **September 17, 2009**, financial institutions may no longer submit paper coupon to the Federal Reserve for credit to their account.

To help ensure timely redemption of paper coupons in accordance with the above specified dates, we encourage you to share this information with your retailer customers that participate in SNAP.

For questions regarding SNAP, please visit <http://www.fns.usda.gov/snap/>.

All financial institutions should send their food coupons to the Memphis Branch of the Federal Reserve Bank of St. Louis at:

P.O. Box 407  
Memphis, TN. 38101  
Attn: Dept. FC

For more information on the process for financial institutions to redeem food coupons with the Federal Reserve and for updates related to this operational change, please visit <http://www.FRBservices.org/fedcash/index.html>, or contact the FedCash® Services Department at the Memphis Branch of the Federal Reserve Bank of St. Louis at 1-800-238-5293 (option #2).