

Staying on Track with Europay, MasterCard & VISA

Guide to implementing EMV Technology

April 2015

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1) Where does my credit union start?

By now, you've heard of EMV, and as of March 2015, chip card technology is gaining momentum in the electronic payments arena. With October's merchant liability shift, meaning merchants not equipped with EMV capable card readers will now be liable for transactions used with a fraudulent chip card, some of the largest retailers are updating their terminals, with smaller retailers who may or may not follow suit. In a migration that is costing retailers upwards of millions of dollars, where does your credit union fit into the equation? As there is no official deadline stated for financial institutions to convert to EMV, have you considered how, when, and if you'll move your current magnetic strip, debit, and credit cards to the EMV standard? Once you've made the decision to work with your plastics team to develop a direction, your first and most important step is to contact the SettleMINT EFT team.

2) Contact CU*Answers

As CU*Answers partners with both you and your plastic vendor, it is imperative that we are made aware of your rollout plan, so that we can be involved in scheduling your conversion to EMV cards. As of current, the SettleMINT EFT conversion calendar is booked for the remainder of 2015, with dates booking into Q2/Q3 of 2016. Again, as no official deadline for FI conversion has been set, there are ample opportunities available to schedule.

3) Pre-Conversion Checklist

When you contact CU*Answers, we will want to discuss your options with you for your EMV rollout. The chart on the next page will offer the steps and a review of the options that CU*Answers supports for chip cards. Please take special note of the considerations for each option when determining which plan works best for your credit union.

4) Special Considerations

While reviewing the options on the next page, CU*Answers would like you to take some special considerations when deciding which option to complete for your EMV rollout. First and foremost, consider your contractual obligations with Visa, MasterCard, your networks, and your plastic vendor. If an option with a mass issuance of cards is selected, it is possible that all of your cards will then expire along the same timeline – is this cost effective for your EMV budget? A common complaint in markets already using EMV cards is the increased wear and tear of the cards due to the microchip, and the cost to replace them, so consider that increase when budgeting an increased plastics cost.

DataCard Instant Issue Special Consideration: If your credit union has an interface with DataCard Group for instant issue plastics, it is crucial that you contact DataCard Group representative to discuss the potential for new equipment needed to produce EMV plastics, or any special projects required. CU*Answers will not be providing Shoreline EMV instant issue card stock.

Please note: This chart is to be used when determining which EMV option works for your credit union. As of now, there are no hard dates for EMV "compliance" for financial institutions, nor are there any deadlines that CU*Answers is imposing for an EMV conversion, however the liability shift occurs 10/21/15. Many CUs are choosing the "wait and see" method, while the market grows and develops in the US.

Remember to consider rebranding options - Visa and MasterCard switches can be done at the time of EMV conversion. If a rebrand is requested, a longer project timeline is to be expected. New BINs must be owned before CU*A conversion.

EMV

Option A -

New BIN with Plastic Mass Issue. Could also include a "rebrand" (ie: moving from Visa to MasterCard)

CU*Answers will need to create a special project authorization and project sheet

We recognize there could be a cost incentive for your credit union however there are still some items to consider.

1. What are you doing with your expiration date? Can your vendor stagger them?

Next Steps

1. Contact CU*Answers to get on the schedule and confirm dates with all parties
2. Conference calls will be held with all parties
3. Your vendor will send a card file to CU*Answers for testing
4. Your vendor will send a final card file to CU*Answers
5. CU*Answers will load that final file and make the rest of the necessary changes

Option B -

Mass Reissue with existing BINs

CU*Answers will need to create a special project authorization and project sheet.

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Option C -

Natural Reissue with existing BINs

Financial considerations for this option appear to be in the credit unions best interest. You should check your contract to see if there are any special considerations indicating all cards need to be EMV by a certain date.

Typically this option means your BIN is an EMV BIN by a certain date then any card ordered after that date is an EMV card. Therefore no changes typically need to be made on the CU*Answers side and no project would be needed.

Next Steps

1. Work with your vendor on changing your BIN to EMV
2. When a card expires a new EMV card will be sent to your member

Ask us for details!

Call us at (800) 327-3478 ext. 309
or email settleminteft@cuanswers.com