## Chip cards are more secure

- An embedded computer chip in each chip card adds a new layer of security to point-of-sale and ATM transactions when used in chip-enabled card readers.
- These cards help protect cardholders and merchants from fraud because the chip gives every transaction a unique code that can't be used again.
- That protects against card counterfeiting and makes stolen transaction data virtually useless to crooks that try to use the data to make fake cards or purchases.
- Chip cards already are in use around much of the rest of the world and have been shown to reduce point-of-sale fraud.

## When will we begin reissuing the cards?

- We will begin reissuing chip cards on 9/2016 and the new cards will arrive in the mail.
- This process is expected to take approximately one year to complete.
- Consumers opening new accounts will receive a chip card at the time of reissuance.

## How are chip cards used at merchants?

- Chip cards are easy to use, but there are some differences compared to using a magnetic stripe card.
- Begin the payment process by swiping the card through the terminal, if the terminal is chip-enabled, the cardholder will be asked to insert the card.
  1. Cardholders will insert their card, face up and chip end into the chip-enabled terminal.
  2. They will leave the card in the terminal during the entire transaction.
  3. They'll need to follow the instructions on the screen and either sign their name or enter their PIN as needed. Be sure to remind them to remove their card and take their receipt when the transaction is complete.
- If the merchant's terminal is not chip-enabled, the transaction will process as it normally does from the initial 'swipe'. Chip cards will still have a magnetic stripe on the back so cardholders can swipe their new card through terminals that are not chip-enabled yet.
- There are no changes to the way payments are made on the Internet or by phone.

## How are chip cards used at ATMs?

- The process is essentially the same as at a merchant.
- Cardholders will insert their card into the ATM terminal and follow the instructions on the screen.
- Depending on the type of ATM, they might be prompted to re-insert their card.
- They will leave the card in the ATM until the transaction is complete and the card is released, then they will remove their card.
- A PIN is needed for ATM transactions.

## Watch the chip card video to learn how it works:

http://csborbisonia.com/account-services.aspx#account_protection

## What are chip cards?

A chip card - also called a smart card or an EMV card - is a debit or credit card that contains a microprocessor that enhances the security of cards during point-of-sale transactions.

These cards, already in use in much of the world, use a security standard originally developed by Europay, MasterCard and Visa (EMV) as a way to fight card fraud resulting from theft, skimming and counterfeiting. The EMV technology has been adopted by the other major card brands and issuers.

## Is a chip card more secure than magnetic stripe cards?

Yes. Chip cards add an additional layer of security to the safeguards that already protect cards. Each time a cardholder uses their chip card it generates a code that is unique to that transaction. This makes it harder to counterfeit a card or to use it fraudulently for in-store purchases.

## What information is on the chip?

The chip contains information about a cardholder's account and the card expiration date. It also generates a unique code for every transaction when used with a chip-enabled terminal at the point of sale.

## Can a chip card be used anywhere?

Yes. Chip cards can be used virtually anywhere this brand of card is accepted in the U.S. and around the world. If a merchant has a chip-enabled card terminal, cardholders will insert their card during the transaction. In the U.S., cardholders will still be able to 'swipe' their card to make a payment if a merchant has a regular terminal. They will need a PIN to be able to make a transaction at an ATM.

## How do cardholders use a chip card?

Start the payment process by swiping your card. If the merchant's terminal is chip-enabled, you will be prompted to insert your card.

1. Insert the card, face up and chip end into the chip-enabled terminal.
2. Leave the card in the terminal during the entire transaction.
3. Follow the instructions on the screen and either sign their name or enter their PIN as needed. They need to be sure to remove their card and take their receipt when the transaction is complete.

If the terminal is not chip-enabled, the transaction will process as it normally does from the initial swipe.

## What if a merchant doesn't have a chip-enabled terminal?

For merchants without chip-enabled terminals, cardholders will 'swipe' their card through the terminal, just as is done today.

## Can cardholders still use their current card?

They can use their current card until they get a chip card. At that time, they should activate the new chip card and start using it. They should destroy their old card by cutting it up or shredding it.

## Do they need to sign the back of the card?

Yes. They still need to sign the back of their card.

## Can a chip card be used to make purchases online or by phone?

Yes. There is no change to that process. Chip cards can be used to make these purchases the same way as is done today.

## Can chip cards be used at an ATM?

Yes. For ATM transactions, cardholders will insert their card into the terminal and follow the instructions on the screen. Depending on the type of ATM, they might be prompted to re-insert their card. They will leave the card in the ATM until the transaction is complete and the card is released. Then they will remove their card and any money they might have withdrawn.

## What is the difference between chip and signature and chip and PIN?

Cardholders might be asked to provide their signature or enter their PIN to complete a transaction when they use their card. They will need to use their PIN at ATMs and it might be required at some unattended card terminals such as fuel pumps and payment kiosks.

### What happens if a chip card is lost or stolen?

- Consumers need to report a lost or stolen card promptly by calling the toll-free number listed on the back of their card. If they can't access that number, they can call 814-447-5552.
- Replaced cards will be issued with new account numbers.
- Remind cardholders that they will need to update any automatic payments with their new numbers.

### Will chip cards prevent data breaches?

While chip cards won't prevent the types of large-scale data breaches that have hit some merchants, they do make it extremely difficult to produce counterfeit cards from that stolen data.

### Can cardholders be tracked with their EMV cards?

No. Chip cards contain no tracking information.

### Is there a reason this is happening?

The goal in the U.S. is that all debit and credit cards will be issued with chips and that all merchants will convert to chip-enabled terminals. While the full process will likely take a few years, this combination is expected to significantly reduce card fraud at point-of-sale transactions, which has been the case in other countries that have already converted to chip cards. Chip cards already are in use in most of the rest of the world.

### Are there other reasons merchants should have chip-enabled terminals?

Customers have become increasingly concerned about the security of card payments as they hear more about data breaches and the potential for credit and debit card fraud. In countries where chip cards and chip-enabled terminals have been in use, the incidence of card-present fraud has fallen. Knowing that their transactions and account information are more secure is reassuring to cardholders. The prospect of reducing the costs of fraud-related fraud should also be an incentive to merchants.

### Are chip-enabled terminals expensive?

There are costs involved in upgrading to chip-enabled terminals, but those costs could be more than offset by reductions in fraud-related expenses. Merchants should contact their acquirer or payment services provider to get details about costs and other requirements for making the conversion.

### Will making payments at a chip-enabled terminal take longer?

Yes, the payment process will take a bit longer. Rather than swiping their debit or credit card, cardholders will insert their chip card into the card-enabled terminal and leave it there during the full transaction. That allows communication between the card, the terminal and the payment networks to verify the card and authorize the transaction. The cardholder will either sign their name or enter their PIN as necessary to complete the transaction, based on the cardholder verification method determined by the chip card and chip-enabled terminal.

## Can chip cards be used anywhere?

Yes. Chips cards can be used virtually anywhere a particular brand of card is accepted in the U.S. and around the world. Chip cards will work in both chip-enabled and swipe terminals. If a cardholder tries to swipe a chip card in a chip-enabled terminal, they will be prompted to insert the card to complete the transaction. If a terminal is not chip-enabled, a chip card can still be swiped to read the magnetic stripe on the back to complete the transaction.

## What is the difference between chip and signature and chip and PIN?

Depending on the card and the transaction, cardholders may be asked to provide either a signature or a PIN to complete a transaction. Some transactions could be completed without either a signature or a PIN.

## Will chip cards prevent data breaches?

While chip cards won't prevent the types of data breaches that have hit some merchants, they do make it extremely difficult and costly to produce counterfeit cards from that stolen data, and since each chip card transaction is unique, a specific transaction number can't be used again.

## What about online and phone transactions?

These card-not-present transactions don't change, and chip cards don't make them more secure.