EMV/Chip Card for Consumers: FAQ's

Have you heard about "chip cards"? What about the term "EMV"?   What do these mean to me and my accounts/cards at Albina Community Bank?

We have prepared a list of common questions and answers for your information; please let us know if you have additional questions about EMV or chip cards – we are here to help!

- **What is EMV?**
  - o EMV is an acronym that stands for Europay, MasterCard and VISA™.   They are the founding companies for chip card tech nology. EMV is a payment application that resides in a computer chip embedded in a credit or debit card, and is used to help fight fraud. (The term EMV and chip card are i nterchangeable.) EMV has been widely used in Eu rope for m any years, and U.S. card issuers ar   e now taking steps to make E   MV the stan dard payment application for enhanced card securi   ty. The adoption of EMV will require financial institutions, payment networks, card issuers,   payment processors, and businesses to   make substantial changes to card issuing, trans action authorization and related processes, as well as point-of-sale and/or ATM equipment.

- **Why the change to chip cards?**
  - o The move to chip cards i s intended to reduce frau d in the card pa yment system and to increase international acceptance of c ards issued by U.S. is suers. While magnetic stripe technology, widely in use today in the U.S., can usually be used in countries where EMV is prominent, some international merchants now require customers to use a chip card.

- **Tell me more about chip cards.**
  - o A chip card i s a plastic credit or debit card with a metallic, embedded microchip that can be used on chip-enabled POS, (point-of-sale), ter minals. In addition to a small com puter chip, a magnetic stripe can also be found inside the card.

- **How does this new technology work?**
  - o Chip cards keep consumers safe by   generating a uni que transaction code every tim e a transaction is done. If a hacker steals your financial data through an unsecure POS terminal, he or she will not be able to use the card w ithout producing a one-time code. The release of upgraded chip cards makes it incredibly difficult for criminals to steal pay ment information. In countries where EMV compliance is wid espread, fraudulent card activities have dropped considerably.

- **When will I get a new chip card?**
  - o As you can imagine, the demand for chip cards is extremely high; as a result, it will be some time yet before your Albina credit chip card or debit chip card will be issued. We are working diligently with our vendors to make chip cards available to our cardholders

in the summer of 2016. As soon as cards are available, non-chip cards will be replaced with the new chip cards when they expire.

- **Will my existing card still work? How long can I continue to use it?**
  - Your existing Albina credit and debit cards u se a magnetic stripe for transaction processing; merchant terminals will be able to process both chip and magnetic strip cards. If the card and terminal are "EMV" enabled, the card is inserte d into the terminal, where it remains until the transaction is co mplete. If a merchant does not have an " EMV" enabled terminal, transactions will be processed by swiping the card' s magnetic stripe, just as they are processed today. You will be required t o enter a PIN when using a chip card and terminal, and a signature will be req uired when using a magnetic stripe card. The term inal will walk you through the process.

- **Will my account change because of this?**
  - There is no change to your account, card limits, or any other card functions as a result of th e rollout of this new technology.

- **Will I be able to use the same PIN with my new card? Will the card number change?**
  - Your card number and PIN will remain the same.

- **Where can I use my chip card?**
  - Many merchants across the U.S. ar e beginning to accept chip card transactions, and this will continue to grow within the coming years. Your chip card will still work at non-chip enabled terminals.

- **My current debit card doesn't expire for another year – can I still use it?**
  - Yes. Non-chip enabled cards will continue to work.

- **What if I travel outside of the US – will I be able to use my non-chip debit card?**
  - Yes and no. Some international self-service terminals do not accept U.S. issued debit cards without the chip technology and may display a message such as "Transaction Canceled". In these cases, please locate an attended terminal to complete your transaction, or plan for an alternative payment method, such as local currency.

- **If fraud occurs after EMV cards are issued, who will be liable for the costs?**
  - Today, if a card present transaction is conducte d using a count erfeit, stolen, or otherwise compromised card, consumer losses from that transaction fall back on the merchant or issuing bank, depending on the sit uation. After Oct ober 1, 2015, t he liability for card present fraud will shift to whichever party is the least EMV compliant. For instance, if a chip card is used in a non-EMV co mpliant terminal, and a fraudul ent transaction is processed, the liabilit y would belong to the m erchant. Likewise, if a non-chip card is used in an EMV co mpliant terminal and a fraudulent transaction is processed, the liability belongs to t he card issuer, typically the bank. These chang es in liability are not shifted to the consumer; there is no change in consumer liability after October 1st for fraudulent card transactions.

- **Will chip cards prevent all fraud from occurring?**
  - Unfortunately, no. As the industry continues to develop new way s to protect consu mers, perpetrators continue to look for ne w ways to commit fraud. Chip cards provide an additional layer of security at chip-enabled terminals, on top of the fraud prevention monitoring we already have in place.

- **Is there an additional fee for a chip card?**
  - Existing Albina debit and credit cards will be replaced by chip cards upon expiration at no cost to our cardholders.

Still have questions? Please visit any one of our branch locations or contact us by phone. See the "Contact Albina" page on our website for branch locations and phone numbers.