Introducing Card@Once®

In-branch Instant Card Issuance

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In today's convenience-driven culture, customers typically do not want to wait days or weeks to receive a debit or credit card in the mail — they want it immediately. Card@Once® is a simple, effective way for financial institutions to drive account holder engagement and onboarding, right at the time of account opening.

Greg Kuyava, manager of sales and marketing, Card Services, at Harland Clarke and Tom Hedrich, vice president of Business Development at EFT Source, address some common questions about instant-issuance programs and the Card@Once product.

Q: What makes instant issuance a desirable product for financial institutions?

Tom Hedrich: Waiting five to 10 days for credit/debit cards is no longer a very good alternative. Account holders like to walk out of their branch with a fully personalized, active card. With instant issuance, not only is the account holder's overall experience enhanced, activation rates are typically around 90 percent and utilization rates increase. In fact, in the case of one of our recent clients, 58 percent of account holders used

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their card within the first eight hours of activation, which increases the profitability associated with interchange fees.[1] Financial institutions gain about five or six days of activity during the time frame when the card and PIN (personal identification number) would otherwise be in the mail. The level of security also increases because the card goes directly from the financial institution into the account holder's hands. Lastly, when replacing a lost or stolen card, asking an account holder to wait five to 10 days for a replacement card is not a very positive

experience, and expedited cards can cost financial institutions approximately $40 to $60 per card. Instant issuance can replace this expensive alternative, thereby saving financial institutions money.

Q: Is in-branch card issuance a new concept?

Greg Kuyava: It's been around for more than 20 years, but traditionally, financial institutions have had to purchase a large software package upfront, dedicate or purchase a server for processing cards, and purchase the hardware that actually prints the cards. In essence, the financial institution has had to set up a mini card-processing facility on-site with dedicated resources and IT support. These additional responsibilities, along with the ongoing expense of maintenance, can cause a great deal of inconvenience for most financial institutions.

Our instant-issue product, Card@Once, is a software-for-service solution. We provide a web-based platform that eliminates the hassle of upfront software purchases and requires a minimal amount of a financial institution's own IT resources. We use a dedicated server within our own VISA®- and MasterCard®-certified facility, so there is no need to set up a card processing facility on-site. It has changed the dynamic of credit/debit card activation and has made the technology more affordable for financial institutions of all sizes.

Q: How is Card@Once implemented?

Kuyava: A financial institution purchases hardware that includes the printer, router and firewall in a single unit. It has a security USB drive that prompts encryption within the printer. There is no sensitive card information housed in the actual unit and no service contract, or marketing or maintenance agreements to sign. The financial institution simply has the upfront cost of the printer and ongoing consumables, which include card stock, ribbon and inventory management. We also provide cardholder-selected PIN solutions if the financial institution is not currently equipped with this technology.

Hedrich: It's a very small footprint. Again, you're not buying a server and building a network. It's just the

[1]"How Centier Turns Instant Debit Cards into Ongoing Payments," PaymentSource, May 28, 2013

printer that we are driving remotely via an encrypted internet connection. Once the administrator assigns a username and password for our secure web portal service, you simply enter the card data, including the cardholder name, PAN (the 16-digit account number) and PIN, if selected. Everything is done in the data entry screen, which makes the process simple and efficient. We pre-fill the first six digits or the BIN number, and you enter the last 10 digits of the number. We also have a check-digit routine to prevent any transposition errors.

Once the data has been transmitted to us, it is accessed through our firewall and enhanced with the CVV values and offsets. We then send an encrypted print message back to your printer, which outputs the card. Upon successfully printing a card, we confirm its issuance and transition into the activation phase.

Kuyava: I would like to add that PCI certification really differentiates our program. Many other programs will be PCI compliant, meaning that their product fully complies with PCI standards and regulations. However, the onus falls on the financial institution to show a fully PCI-certified solution. Our solution takes it many steps further. We accept, process and communicate the card order to the printer entirely from our facility, thus owning the entire process. This takes us to a fully PCI-certified program where we take on the responsibility and expense of the annual audit.

Q: What kind of printer does Card@Once use?

Kuyava: We have two options. The first utilizes a one-color black ribbon. Pre-printed card stock is hosted in the back of the printer that is fully locked down. We then thermally print the PAN number, individual's name and expiration date on the front of the card. On the back, we print the three-digit CVV or CVC security code. Both the front and back have a protective overlay for this very sensitive card information.

The second option is a CMYK four-color ribbon. We use a four-color process that we call our "edge-to-edge solution." This card printer uses white card stock with the association logo (such as Visa® or MasterCard®), hologram and signature panel on the back. We print, on-demand, from a library of pre-designed cards that the financial institution has chosen and provided.

Account holders can select which design they would like printed on the card.

Q: Can the cardholder's photo and signature be incorporated into this process?

Kuyava: Harland Clarke, along with EFT Source, does enable the account holders to add photos to their cards through our standard service bureau personalization process. However, at this time, Card@Once does not accommodate this functionality.

Q: What logistical considerations do branches need to take into account before implementing Card@Once?

Kuyava: Because our system is web-based, licensing agreements or licensing seats will not need to be purchased. As long as there is internet access (DHCP),

PCI certification really differentiates our program.

an unlimited number of employees can access the system, whether they're creating new cards, auditing, checking inventory or performing administrative maintenance. Portal access components will need to be determined.

Also, there are additional decisions your branch will need to make for the Card@Once solution:

- Will the pertinent card information required to process the order be obtained through the PAN, cardholder name or the expiration date?

- Does your branch have an existing PIN selection system that can be used with Card@Once? Or will you use our PIN pad solution?

- Does your new, account-opening platform reside on the EFT processor system? If so, is this where you will obtain the PAN and PIN offset? Also, be sure to flag the "do not mail" indicator to let the EFT processor know that this card has already been distributed.

Last but not least, if you're going to use our edge-to-edge solution and allow the cardholder to choose from multiple images, you'll need an image indicator field for the EFT processor so that you can provide the same image printout for that cardholder when their card expires.

Q: How successful has Card@Once been in the marketplace?

Hedrich: To date, we have completed more than 500 installations. We have another 100 pending installations and approximately 1,500 in the pipeline being evaluated. Why are we experiencing such great traction? As a late entrant to the market, we're using the latest technology and the greatest software-as-service model overall. It's simple and easy to operate. All installations are coordinated via phone, so we never have to go on-site to complete an installation. This solution is very intuitive.

From a service standpoint, the printer is warranted for three years or 300,000 cards — whichever comes first. We have had reliable machines in the market for more than three years.

Q: Is there service support if a branch's printer breaks down? Would we get immediate assistance or be able to manually order the card for the account holder?

Hedrich: The ability to order manually will always be available. That's one of the benefits of our being a service bureau. You can always include the order in a daily batch transmission and fall back to card-in-the-mail service.

That being said, Card@Once has a technical support number to call, and we monitor the entire network at all times. We will proactively call you when we see a printer is offline during your normal business hours. If we can't repair the issue within two hours, we will ship another printer to you.

Q: The assignment of PAN, CVV codes and PIN offset must be integrated with the host core provider. How does this solution interface with the host, and in this particular case, with FIS?

Hedrich: To date, we have four core integrations with several additional ones in development. The integration, again, is a web service. Part of the magic is that the

implementation is very simple. I have several institutions working on their own web service application.

Kuyava: In our non-integrated approach, we only need three simple pieces of information from your card-ordering platform: PAN, cardholder name and expiration date. It is less than 20 seconds of data entry. We fully verify that the PAN is correct and if it was entered incorrectly, an immediate notification is sent to re-enter the order. So, a non-integrated solution can be just as, or more, convenient as an integrated solution, and it can save time and money up front.

Q: How would you handle a monthly auto re-issue card with the same image? Should an edge-to-edge be selected?

Kuyava: If you're using our edge-to-edge solution and there are multiple images that the cardholder can choose from, you will want to create a design ID for the card design chosen when the account was first opened. When the time comes to re-issue the card, the file will automatically generate using the design ID. Therefore, whoever handles re-issuing the card can indicate the previously chosen image and ensure it is printed on the card.

Q: Will this support EMV cards in 2015?

Hedrich: Yes. In fact, we performed a thorough search for an experienced hardware partner in this area. The source for this printer is a French company named Evolis that has been around for 20 years and is very familiar with EMV/EMV contactless dual interface cards. So yes, we will be positioned to support EMV.

Kuyava: We're hearing from MasterCard® and VISA® that there is a six-month queue in order to even start the process. So if you're considering EMV, you should immediately begin working with your card association to move through the waiting process.

Q: Should Card@Once only be used for new accounts and emergency cards?

Kuyava: Most instant-issue solutions are an inefficient way to handle monthly reissues. We recommend using instant issue for new accounts as well as emergency

replacements, lost or stolen cards, and broken cards. You should have your reissue partner, which could be Harland Clarke and EFT Source, handle the monthly reissues where there might be thousands of cards sent out.

Technically, you could use some instant-issue solutions for monthly reissues, but you would need a resource dedicated to monitoring the machine to ensure no errors have been made while that large order is processing. You also would have to manually insert those cards in envelopes and mail them.

Keep in mind that traditional software-for-purchase solutions are not personalization providers, so they cannot handle monthly reissue card orders outside of the instant-issue environment. As a full, ongoing personalization provider, we can handle orders on a monthly basis for cards that are about to expire. This will enable you to consolidate the number of providers for your card program, which will increase the efficiency of your branch operations.

Q: Will financial institutions still need to audit card stocks to comply with PCI for branch activities?

Kuyava: VISA® and MasterCard® have implemented regulations and rules to follow for handling card stocks within the branches. These include how much extra inventory to keep and how to replenish the machine. A lot of these procedures and processes are similar to the ones you currently have for handling cash. In your efforts to comply with rules or regulations around instant issue, please review the policies provided by VISA® and MasterCard®.

Instant-issue solutions are a
highly efficient way to handle
small-scale card orders.

Talk to your Harland Clarke representative today about how your institution can aid in new account holder engagement, save time and money, and increase security by implementing Card@Once.

Call **1.800.277.7637** or email us at **cardservices@harlandclarke.com**.

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