

Harland Clarke / EFT Webinar 4/14/2013
Card@Once In-branch Instant Card Issuance
Q&A

Andrea: Thank you so much everyone. At this point, if some of you would like to ask a question via the phone line, you can do so now by pressing the star key and followed by the digit one on your Touchstone phone. If you are using a speakerphone, we do ask that you pick up your handset to press your mute function to allow your signal to reach our equipment.

Once again, that is star-one to ask a question via the phone line. We'll pause for just a moment to give you the chance to signal. While we wait, do we have any web questions?

Greg Kuyava: Yes, we do, Andrea. I appreciate that, as our phone lines are queuing up. There's a first question coming in. Tom, I'll let you handle this one, but I'll read it out.

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

Tom, if you won't kind of describing how the information is pulled out and how we put it back into it; that would be fantastic.

Tom Hendrich: Yes, I think kind of directly heading that on, we have roughly one key core integration today with the company CSI. We have a number of integrations in development. One of them is with FIS, but it's their Horizon platform, so I don't know what FIS platform is being referenced here.

The integration, again, is a web service. I've had a very small financial institution write their own. I'm not a programmer; I can't write code. But, part of the web service magic is that it's free and easy to do. Basically, the individual's taking the data off the core platform, which will be the numbers identified here – the PAN, cardholder name, and expiration date, depending on what they're doing with the PIN – and then I provide a refresh-back to that.

Once I provide that back to the core, there is an activation message sent. I think that's what's being asked, and that's our best answer to that. Do you have anything to add to that Greg?

Greg Kuyava: Yes, and thanks Tom for that response. What I want to add is the functionality of Card@Once, and what it allows for this non-integrated solution. What that does is that an integrated solution will require additional I.T. resources to connect the integration with that core provider. And, in order to set up that integrated solution, there may be additional cost on the core side.

A fully-integrated solution may require additional I.T. resources, as well as additional out-of-pocket expenses, either from a onetime set up or it could even be an annual. Our non-integrated solution is one possible way to handle instant issue providing the benefit of not having to worry about that.

Three simple pieces of information – that's already provided from you card-ordering platform. PAN, name, and expiration date, less than twenty seconds of data entry – we fully calculate and verify that the PAN is correct, and an immediate notification will be sent back if it was entered incorrectly, which allow that employee to then re-enter that order.

So, non-integrated solution can be just as convenient as an integrated solution, and it can save time and money up front. I just wanted to add that comment there.

We've got another question. "Can the cardholder picture and signature be incorporated into this process?"

I'm going to answer this in two ways. First way is an individual picture of a cat, dog, kids baseball team, kids dance class, favorite vacation spot – the system itself has the capability to do that, however the Card@Once solution does not have that functionality with it.

Harland Clarke, along with EFT Source does provide that opportunity for you to put a picture of your cat or dog on the card through our standard service bureau personalization process. We'd be more than happy to set up a one-on-one call and talk you through that. However, within the instant issue solution, that is not available. At this time, it also does not allow for the cardholder picture and signature to be incorporated from a security standpoint.

Tom, do you have anything you'd want to add on that?

Tom Hendrich: That's really good. Again, we do have a photo I.D. solution that can go on the card. It's just not been linked to the instant card issuance solutions. It involves a webcam to capture the photo I.D. and reference number being assigned, taking that data and outputting it on the card. It's a late 3rd quarter or 4th quarter enhancement that we're working on, of this year.

Greg Kuyava: Okay, excellent. There was another question.

"What is the cost for the program?"

What we can do is we would ask you to reach out to your Harland Clarke representative and we'd be more than happy to send you a full schedule of our pricing. I know that we're coming down to the bottom of the hour. I want to see, Andrea, if anyone has queued up from a telephone standpoint. We'll maybe get those questions, and then we'll get back to some of the chat questions, as well.

Andrea: We currently do not have questions on the phone line, but once again ladies and gentlemen, that is star-one. Let's take some more web questions.

Greg Kuyava: Excellent. Thank you, Andrea. Tom and I will stay on the phone and get to as many of these questions as we can. It looks like we only have a couple left, so certainly feel free to continue sending those.

Another question is, "Would there be support for the branches if the branch printer breaks down for some reason? Would you be able to call for immediate assistance, or manually order the card for the customer?"

Tom?

Tom Hendrich: Yes and yes.

[laughter]

I'll take the second part of the question first. The ability to order manually is still there. That's one of the benefits of being a service bureau as our core, assuming again, that I have a transmission or a batch transmission either coming in nightly or daily. You can always opt for that, and we can fallback to card-in-the-mail.

But, the key thing on support for Card@Once is that you will have a 1-800 technical support number to call. We're monitoring the entire network at all times. We're doing the network monitoring and network support. I can see every printer that I have installed on several large Google Maps. The dots are green when I'm connected and when I have the internet connectivity to it. The dots are jumping when I print in a card. And, they're red, when I have a problem.

We'll be proactive and we'll call you to try to bring the printer back online. If we can't get by that, then we'd get on the phone or you'd get on the phone with one of our technical support persons. We'll troubleshoot it. If we can't fix it in a half hour over that conversation, we can FedEx out another printer. That is called rapid-replacement rapid-support, and that's what's behind it all.

Greg Kuyava: Excellent. Thank you, Tom.

Tom Hendrich: Sure.

Greg Kuyava: A couple more questions –

“The way you would handle an auto re-issue card with the same image – they choose an edge-to-edge. All they have to do is select an edge-to-edge.”

This is more of a comment than a question but I just want to stop and talk about this again. If you're using our edge-to-edge solution and there are multiple images that the cardholder can choose from – you will want to coordinate with whoever is handling the monthly re-issues – some sort of design I.D. that identifies the card design that they chose when they first opened up the account.

When the time comes to re-issue that card, that file automatically generates two years or three years down the road, that design I.D. is already within that file. Then, whoever's handling your card re-issuing at that time, will simply be able to indicate which image they chose two years earlier, and make sure that that gets printed on the card, and it goes forward.

There's a question, “Will this support EMV cards in 2015?”

It's coming in from a couple of people. Tom, would you like to give us an update on EMV?

Tom Hendrich: I sure will, Greg. Thanks. Yes, in fact, several of the printers, I think we're up to about forty that we already have in stock, are prepared to support EMV. Our first EMV live clients were actually running on this technology. That is the plan.

The source for this printer is a French company. It's been around for twenty years, and they are very familiar with EMV / EMV contactless dual interface cards. That was one of the decisions we made when we looked for a partner for the hardware; they'd had experience with that. Yes, it will be positioned, and we will be positioned to support EMV.

Greg Kuyava: That also handles one of the questions that came in which is, “Will you be able to switch to the chip-based cards in a few years?”

We’ll be well ahead of a few years. In just in the industry standards, so everyone on the phone knows. What we’re hearing out of Mastercard or VISA is that there’s a six-month queue in order to even to just start the process. If you are considering EMV and you need to get that up and running, it will be pertinent at this time to start working with your card association to move through the waiting process, so you can start that, which is about six months out now at this time.

That may change from month to month – how long that timeframe is – but that’s what they’re sitting at.

There’s a question; “Can this only be used for new accounts and emergency cards only?”

Replacement cards, card breaks, card – for whatever reason comes down – certainly can be used as replacement card. Most Card@Once or instant issue solutions are an inefficient way to handle monthly re-issues, simply from the standpoint of – You need to constantly monitor if you’re going to send through it a large number of cards to it one time. If you’re thinking of handling your re-issues on a monthly basis, and you’ve got hundreds or maybe even thousands of cards that are going through, you need to dedicate the resource to not only watch the machine and make sure that nothing happens to it while that large order is going through, but now you have to manually handle those cards. Put them in envelopes and make sure they get sent out in the mail; all of that type of thing.

The recommendation is always to instant issue, emergency replacements, lost or stolen cards, broken, new card orders where the cardholder is sitting there at the new account opening. Allowing your re-issue partner, which could very well be Harland Clarke and EFT Source, to handle the monthly re-issues or even incursions. Large incursions where there might be tens of thousands of cards being sent out – those type of things.

Let’s see, “Will the banks still need to audit the card stocks to comply with PCI for what happens at the branch?”

There is a series of regulations that VISA and Mastercard put in place and rules that you need to follow in order to handle card stock within the branches. When considering instant issue, those will be part of the discussions – how we’re going to handle inventory, not only from what we keep internally as extra inventory, but also how we’re going to handle it when we need to replenish the machine.

Often times, a lot of those procedures and processes that you need to put in place are already in place with the way that you’re handling cash. Those are all handled within the regulations VISA and Mastercard set forth.

I’ll check the phone line one last time. Andrea, is anyone queued up?

Andrea: We do not have any questions via the phone line.

Greg Kuyava: Okay. And, I’m looking over the list of questions. There is one question here.

“I assume the card is only live if synched with a PIN.”

Tom Hendrich: Greg, I think to give insight into that, there is an activation part, depending on what the EFT processor is. What I have learned in the last eleven years is that there are all kinds of alternatives and how that initial record is loaded and activated. I think that would have to be a specific conversation with that financial institution and the Harland Clarke representative.

Greg Kuyava: Excellent. With that settled, it looks like we made it to all the questions on the chat. I want to once again – Tom, thank you for your time and for being my co-host today. I certainly want to thank the attendees on the call, and sticking with us through this whole time, and all of your great questions. We will send out a PDF of this presentation to you in the next couple of days. For those that are requiring additional information and would like to take a deeper dive, please contact your Harland Clarke account executive; we’ll be more than happy to send out that information.

Tom Hendrich: Thank you, Greg; thank you all for participating.

Andrea: And with that, once again ladies and gentlemen, that concludes today’s call. Thank you for your participation, and have a great day.