

Inside this issue . . .

- P.2** – MAP's Annual Conference

- P.3** – VIP Travel Monitoring
– Industry News

- P.4** – Future of Money

- P.5** – VDM: Real-Time Data!
– Visa News

- P.6** – Samsung Pay vs. Google Wallet
vs. Apple Pay

- P.8** – More Breaches ahead as 4 out of 5
Businesses Fail Interim PCI Compliance

- P.10** – MAP Launches Visa Prepaid Mobile App

- P.11** – Letter from the CEO

Contact Map at:

16000 Christensen Road, Ste 200
Tukwila, Washington 98188

Phone: 1.866.598.0698

Fax: 206.439.0045

Email: info@mapacific.com

www.mapacific.com

Enlist your members in the fight against fraud with CardControl.



With recent advances in payment technology, there seem to be more tools to fight fraud than ever before. While EMV and tokenization are definitely helping the cause, the reality is that fraud is still an issue and as technology advances so do the hackers. A credit union leader shouldn't have to fight fraud alone. With the power of CardControl, you can enlist every member to take preventative action.

CardControl is a mobile app that gives users the power to switch cards on and off, correlate mobile phone and transaction location, choose merchant categories, set spending limits, and customize transaction types. No matter what

the situation, members can now have control of their card from their smartphone.

With CardControl, the primary account holder has a suite of preferences at his or her fingertips. There's a simple on-off switch which prevents any transaction when a card is turned off. Whether it's in a brick-and-mortar store or a phone or Internet order, if someone attempts to use the card when it's off, the cardholder is alerted to attempted unauthorized use of their card.

For members who share their card with someone else in their household, they can turn off some or all merchant categories, so the other will be

See Card Control on page 7

U CONFERENCE 15

MAP'S ANNUAL CONFERENCE

AUGUST 20-21, 2015 | COLUMBIA TOWER CLUB | SEATTLE

for a whole new thinking about payments



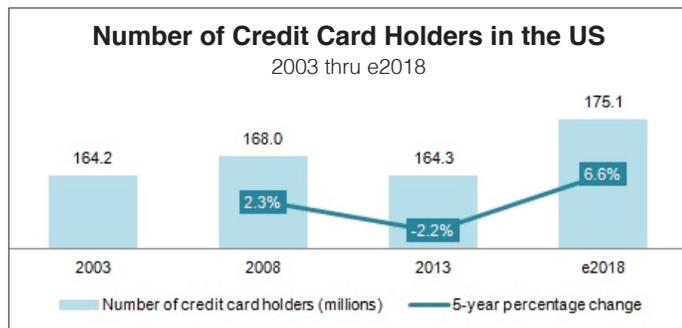
Fighting fraud has become a top concern for most credit unions according to recent research. That's why MAP is fortunate to announce Mark Nelsen, Senior Vice President of Risk Products and Business Intelligence at Visa, as our keynote speaker at our 15th Annual Users Conference on August 21. As VP of Risk, Mark manages global fraud detection and decisioning solutions, such as Visa Advanced Authorization and Visa Risk Manager. He oversees global authentication platforms, such as EMV chip technology and 3D-Secure authentication for e-commerce.



MARK NELSON | RON SHELVIN | QUINCY KROSBY

"Strong authentication is vitally important as the future of payments becomes increasingly mobile and digital," states Mark, who was just named #8 of BankInfoSecurity and CUInfoSecurity's third annual list of influencers in banking information security.

Joining Mark on Friday morning, is Ron Shevlin, senior analyst at Aite Group. Mr. Shevlin is a recognized thought leader for his pioneering research on right-channeling consumer interactions. Recently, Ron predicted an increase in credit card ownership that will be fueled by the next wave of Gen Yers. Credit Card Holders are expected to grow 6.6 percent through 2018. Younger



consumers who require new financial products represent a huge opportunity for financial institutions; they're more likely than older consumers to open checking accounts, need car loans, and apply for mortgages and credit cards.

MAP is pleased to welcome back Dr. Quincy Krosby, Economist and Chief Market Strategist for Prudential Annuities. An attendee favorite, Dr. Krosby will share her insights on the economy

and markets, both nationally and from around the world. Frequently quoted in the financial press and on business television, Dr. Krosby is a former Assistant Secretary of Commerce and past U.S. Representative to the International Monetary Fund.

Thursday's program will feature payment industry experts with a focus on Marketing and Card Program Management. Leading off the day is Shari Storm, a leading voice in card marketing and Net.Banker's Innovator of the Decade. Shari's seminar is about how to Build a Wildly Profitable Plastics Portfolio. She will be joined by Ondine Irving, founder of School of Credit Card Program Management. Ondine will demonstrate the fundamentals of credit card portfolio management, touching on expense savings and income opportunities.



SHARI STORM

MAP's 2015 Annual Conference will be held August 20 and 21 at the Columbia Tower Club. Located on the 76th floor of Columbia Center. At nearly 1,000 feet, its highest meeting space west of the Mississippi. The 360 degree panoramic view includes Mt. Rainier, the Cascade Mountains, Elliott Bay, the Olympic Mountains, the Space Needle and the city of Seattle. Guest accommodations are available at Seattle's Arctic Club Hotel.



ONDINE IRVING

To register, go to uconference15.com. For more information, please contact your client services manager or Karl Kaluza at 866-598-0698 x1618 or karl.kaluza@mapacific.com.

Industry News

VIP Travel Monitoring makes a Big Splash

For most people, heading to the beach or sitting by the pool is synonymous with travel and vacations. Yet, in the same way that your doctor recommends you protect your skin by applying sunscreen before going out, MAP is recommending that you protect your traveling members – and your credit union – with VIP Travel Monitoring (VTM) Service.

VTM is a next-level service that allows a credit union to setup special transaction processing for individual cardholders. Credit unions can adjust specific "Risk Factors" for members during the dates they are traveling.

"Prior to VIP Travel Monitoring, we were putting members in complete suppression mode. Now our branches can put members in VIP Travel Monitor Status," explains Le Ann Langston, Director of Member Programs at Seattle's Verity Credit Union.

With VTM, members benefit from 24-hour fraud monitoring with live support. They get to side step the automated machines, pressing numbers, or enunciating every word for the computer. Members can verify suspicious transactions immediately by calling a dedicated toll-free number. "Members really enjoy speaking to a live person when traveling," commends Langston.

And Verity's members love the convenience of setting up VTM by phone or online. "Members enjoy being able to add individual contact information for how to be contacted," states Langston. "The email option, specifically, has been working out nicely for us."

The real benefit is that members get to keep using their card, even when the account has experienced a suspicious transaction. No one wants their card to stop working, especially when they are traveling or on vacation. "VIP Travel Monitoring is a seamless process to members," explains Langston. "While a transaction may be blocked the card itself won't be."

So when your members are laying out on a sunny beach in the Bahamas and a transaction is made in the United States, not only will they be alerted but they will be taken care of by a real person. They can have a quick conversation, feel they are being protected, and get right back to focusing on their relaxing vacation.

For more information about VIP Travel Monitor, please contact Mike Reynolds, mike.reynolds@mapacific.com, 866-598-0689, x1628.

Samsung Pay waives fees.

Samsung will not collect transaction fees when it launches its new mobile payments service this summer, industry sources have said. The move might allow the company to boost the popularity of Samsung Pay over competing services. Samsung Pay could include ads in the commercial market by issuing coupons or gift cards. Samsung's move will be aimed at its biggest rival, Apple, which launched Apple Pay in late 2014.



Mobile Consumers Prefer NFC Technology. The NFC Forum and Strategy Analytics released an in-depth report about in-store shopping experiences and the potential for engagement opportunities. Over 75% of respondents stated NFC technology was preferred over competing alternatives including Bluetooth Beacons and QR codes. The study revealed areas where NFC technology can improve in-store experiences, including store deals, rewards accounts, real-time store inventory and related products, and digital shopping carts.

Mobile is Habit forming. A Carlisle & Gallagher Consulting Group study found that 55 percent of Americans say mobile banking is a habitual part of their lifestyle. All survey respondents expect to buy more mobile devices by 2016. Here are the most frequent mobile banking activities:

- **Viewed balances:** 97 percent on laptops, 95 percent on tablets and 94 percent on smartphones
- **Transferred funds:** 89 percent on laptops, 81 percent on tablets and 82 percent on smartphones
- **Paid bills:** 92 percent on laptops, 86 percent on tablets and 81 percent on smartphones

Starbucks is still the mobile payments leader. The Starbucks gift card is the foundation the coffee chain's mobile and rewards strategy. In 2013, one in eight Americans received a Starbucks gift card as a holiday gift. In 2014, it was one in seven. The card is also the funding mechanism for payments made through the Starbucks mobile app, which is used for 16%



Continued on page 9

Future of Money: Cashless, Cardless, Paperless

Technology is repainting the payments landscape. Given the complexity of the payments ecosystem in various countries, change happens slowly. Sometimes it takes decades, but change does happen. Newer digital technologies may accelerate this evolution. This post looks at the future of money and how it will evolve to become cashless, cardless and paperless.

The MIT Technology Review recently created a report, entitled "The Future of Money," which looks at the overall industry and factors leading to greater digitization of payments. Mobile phones have been a catalyst for much of the change, but it is important to remember that it is still very much a cash-based world. Estimates show that 85% of consumer transactions worldwide are still done with paper bills and metal coins.

This digitization of payments is growing the overall market opportunity, the Boston Consulting Group (BCG) states. As technology drives a shift in how we buy things, the revenue that the payments industry extracts could grow to more than US \$2 trillion a year by 2023, double the 2013 figure. Much of that increase will come from a reduction in cash payments in developing countries.

Across the globe, BCG predicts a time of 'disruption and opportunity' driven by digital technologies that will require the existing credit card system to prove that it's better than its new competition.

The Nilsen Report from December, 2014 states that check usage is projected to decrease by 46% from 2013 to 2018 in the U.S. Globally, check usage has been on the decline for many years. In fact, many Asian countries have never adopted this paper-based form of payment. While countries differ in terms of moving toward cards, mobile phones or other new digital technologies for payments, one thing is clear: ALL countries are trying to move away from using relatively expensive and inefficient paper money and metal coins for making payments.

The Bill & Melinda Gates Foundation recognizes the opportunity for new technology to help the world's poor realize the banking services that so many in the developed world take for granted. In their 2015 Annual Letter, the Gates Foundation says one of their "big bets" is

how mobile banking will help transform the lives of the poor.

With 2.5 billion people unbanked, it is clear financial institutions have not been able to appeal to or service this segment in a cost-effective manner using today's cash-based and card-based payment services. New digital and mobile technologies provide a potential



solution which can lead to much greater financial inclusion.

"The future is already here; it is just not evenly distributed."

This quote is credited to William Ford Gibson, an American-Canadian writer who also coined the term "cyberspace" in the early 1980s. It sums up the state of mobile money/digital payments perfectly.

Some countries have begun to move away from cash to primarily plastic cards for payments, while others are leap-frogging cards to use their mobile phones. Still other countries are exploring new all-digital bank accounts accessed by the consumer's mobile phone number and PIN. The one common denominator is the evolution away from cash, which has many obvious and hidden costs. With greater recognition of increasing income inequality around the world, new mobile money/digital payment solutions can also help to alleviate this problem.

The future of money will leverage digital and mobile technologies to enable the creation of new lower-cost, highly efficient payment solutions. This future will be cashless, cardless and paperless. It may take a LONG time to become reality, and it will surely be unevenly distributed. Let us know what you think.

Visa News



VDM: Real-Time Data! Now you can access your transaction data in near real-time using VDM.

Visa Data Manager (VDM), the state-of-the-art data warehousing and analytics solution from Visa DPS, just got even better! Customers utilize VDM every day to manage fraud and understand spending patterns, merchant routing and interchange, and new transaction categories such as Apple Pay, P2P payments, and EMV transactions.

Transaction data is now typically available in VDM within 30 minutes to 2 hours, enabling you to better manage pressing operational issues related to fraud, authorizations, stand-in processing, and daily totals. The data is also readily available for Portfolio Optimization, enabling campaigns to be triggered using today's events and data.

The real-time data is available within the Adhoc component in the Details Analysis report builder and in the shared Common Point of Purchase (CPP) reports. Daily aggregates will wait for all file matching requirements and be loaded within 48 hours as they previously existed in VDM.

Coming Soon: New features coming to VDM in the near future include a real-time dashboard to enable a view into your current daily totals, Apple Pay provisioning messages, and a Portfolio Optimization automated Apple Pay Provisioning Notification campaign.

If you already use VDM, log in today to explore the power of this new feature! If you are interested in understanding more about VDM, please contact Mike Reynolds, mike.reynolds@mapacific.com, 866-598-0698, x1628.

Visa Connected Car Experience. Visa, Pizza Hut, and Accenture are working together to develop a proof-of-concept connected car to test mobile and online purchases on the go. The connected car is expected to feature Visa Checkout, Visa's online payment service, cellular connectivity, Bluetooth Low Energy (BLE), as well as Beacon technology deployed at Pizza Hut restaurants to alert staff when the customer has arrived and is ready to pick up the order. The demonstration of connected car commerce is a first of its kind in the industry. While the initial focus is on ordering food at



a quick service restaurant, the technology can also be applied to other, everyday consumer purchases including gasoline, transit and parking and drive-through retail opportunities.

Visa Everywhere Initiative. With the aim to wrangle startups, Visa has launched its Everywhere Initiative which challenges startups to envision creative ways for the company to drive digital commerce, inspire millennials, and further incentivize loyalty reward programs. Those interested in participating can submit their ideas through April 30, 2015. Up to four finalists will be given \$50,000 and one month to create the marketing scheme.

Visa acquires TrialPay. Visa purchased TrialPay, a privately held company with an offers platform that connects merchants with millions of consumers through targeted promotions. Visa will integrate TrialPay into its product portfolio as a simple, cost-effective way to help merchants acquire customers, drive traffic, and increase sales by reaching Visa cardholders with targeted offers.

Visa ReadyLink Coming to Walmart. Cardholders with Visa ReadyLink-enabled cards will be able to add funds at over 4,000 participating Walmart locations across the U.S. Cardholders will be able to reload their prepaid card for the Walmart-set price of \$3.74 per reload. MAP's reloadable prepaid cards have been Visa ReadyLink-enabled for several years. For location information, visit: <http://usa.visa.com/locators/readylink-locations.jsp>



Samsung Pay versus Google Wallet versus Apple Pay

Although the technology is by no means new, Apple's rollout of Apple Pay last year ignited an arms race in the mobile payments space as only Apple's entry into a market can. As a result, we've seen a flurry of movement on the mobile payment front from other serious tech giant players, most notably Google and Samsung.

Google Wallet gets an upgrade

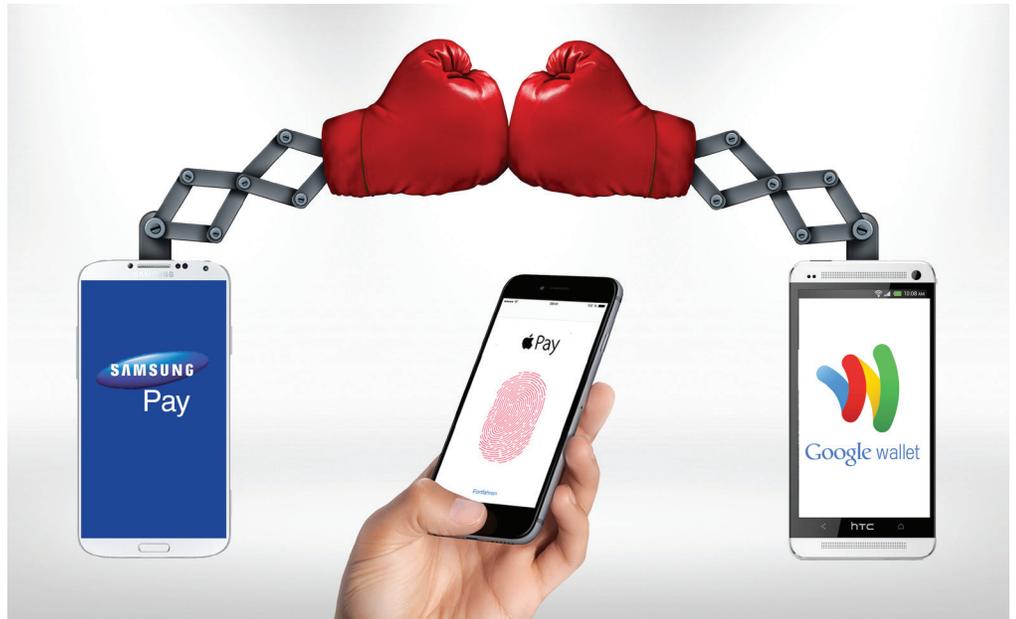
Google originally launched Google Wallet in 2011 to much fanfare but frustratingly scant adoption. However, late last month, Google fundamentally changed the game for Google Wallet when it struck a deal with Softcard. Softcard is the mobile payments platform backed by the likes of AT&T, Verizon Communications, and T-Mobile. As part of the deal, Google will partner with Softcard and acquire some of its intellectual property. What makes this deal so compelling is that as part of the deal, Google Wallet will be prominently preinstalled on Android-based smartphones in the U.S. that run Android's KitKat OS or later, giving Google Wallet premium positioning that should help spur much-needed adoption.

Samsung Pay

Samsung rolled out its Apple Pay response when it unveiled its latest Galaxy smartphones at the recent Mobile World Congress. However, Samsung Pay will differ in several key ways from both Apple Pay and Google Wallet. Powered by the technology it acquired when it bought LoopPay in January, Samsung Pay allows for the same near field communication transactions as Google Wallet and Apple Pay. However, Samsung Pay also allows Samsung smartphone Galaxy S6 and S6 Edge users to pay for goods and services through the more ubiquitous magnetic strip payment processing terminals. And since such magnetic strip terminals make up nine of every 10 point of sale terminals, Samsung Pay will enjoy a significant advantage in terms of immediate usability over either Apple Pay or Google Wallet.

Unchallenged Leader: Apple Pay

Apple Pay seems to lead the discussion whenever the topic of mobile payments arises these days, and it certainly deserves mentioning here. However, at the outset, Google Wallet and Samsung Pay are far more likely to compete directly against one another, rather than with Apple Pay. The difference between Apple Pay competing with Google Wallet or Samsung Pay and the potential conflict between the latter two is that Google Wallet and Samsung Pay's showdown will take place within a single smartphone. Since Samsung is by far the most dominant Android-based OEM in the U.S.,



any consumer that purchases the Galaxy S6 or S6 Edge will have to choose between either Google or Samsung payment options. And with the greater breadth of payment locations offered by Samsung Pay, it certainly makes sense consumers would gravitate toward Samsung Pay over Google Wallet when the two appear in the same smartphone. For non-Samsung Android smartphones, Google Wallet seems well-suited to thrive.

By contrast, Apple Pay's potential rivalry with these two essentially ends with a consumer's smartphone purchase decision. Certainly one service's features could help tip the scale of whether a given consumer in the U.S. buys an iPhone or a Galaxy S6 or other Android-based smartphone for instance. However, once that battle has been won or lost, the two services won't vie for a share of a consumer's payments. It's also worth briefly noting that Google Wallet does have an iOS app, but given the overwhelming popularity of Apple Pay, Google Wallet appears greatly disadvantaged.

Mobile payments are the future, like it or not. So while this budding space continues to take shape, Google Wallet and Samsung Pay are likely to be rivals in the near term, especially given Google's recent Softcard deal, rather than either of them being potential threats to Apple Pay's iOS dominance.

CARDControl

for members

Switch Card On/Off:

- By Location
- Region on a Map
- International
- Merchant Category
- Transaction Type
- Spend Limit per Transaction
- Weekly Spend
- Monthly Spend

Transaction Alerts:

- By Location
- Region on a Map
- International
- Merchant Category
- Transaction Type
- Spend Limit per Transaction
- Weekly Spend
- Monthly Spend
- Low Balance
- Card Status Change
- Fraud Alerts

Real-Time Features:

- View Available Balance
- View Transactions Details
- Tag Transactions
- Annotate Transactions
- Capture Receipts
- Email Transactions Details
- Dispute Transactions
- Find ATM
- Contact Credit Union

54%
increase
in Card
Usage

60%
reduction
in fraud

48%
increase
in Card
Spend

Continued from page 1

limited to filling the gas tank or buying groceries. Members can also set a specific region where the card will work, anything outside of that vicinity is their indication for potential fraud.

Numerous benefits are attached to providing your members CardControl capabilities other than lowering fraud. Firstly, this technology increases consumer confidence. Members can swipe their card and know they're protecting themselves, which in turn increases revenue from higher card usage. Did you know that 3 out of 10 teens and 6 out of 10 college students use cards supported by their parents, and this number is increasing by 50% annually? The ability to turn permissions on and off is a smart way for members to manage household spending, not to mention spending of funds on business accounts. "Businesses have reported a 6% to 11% "friendly fraud" rate due to employees conducting unauthorized charges to their business issued cards. Businesses can save on average \$72/year by adopting a business-controlled payment card."

With the ability to control a credit union's card, comes a feeling of security to members. It won't be long before that secure feeling is the reason they choose to swipe your credit union's card over another card in their wallet. Our user data shows that members are likely to bring the card to top-of-wallet, use the card 50% more and at a wider variety of merchants. Increased transaction usage results in improved direct interchange revenue and generates additional interest revenue from increased balances to cover card use.

"In the age of mobile, it's soon going to be as important to be front-of-phone as "top-of-wallet," states Jaime Nayola, Vice President of Product Services at MAP. "With CardControl, credit unions make their app more engaging. Members control what they do and how they do it, increasing peace of mind and preference over other cards - leading to the credit union benefiting from increased usage and spend."

For more information about CardControl and other Risk Management solutions for your credit union, please contact Mike Reynolds, mike.reynolds@mapacific.com, 866-598-0698, x1628.

Source: Ondot
Customer Data,
July 2013 -
January 2014

13%
increase
in new
cardholders

**6-month
return on
investment**

for card managers

Management and Fraud Solutions:

- Product Usage Dashboard
- Custom Reports
- Onboarding
- Branding
- App Configurations
- Customer Support
- System Diagnostics
- Transaction Velocity Rules
- Merchant Category
- Merchant Location
- Merchant Terminal
- Transaction Type
- Transaction Amount
- Case Management
- Auto Warm-Card
- Dispute Management
- Cardholder Notifications

More Breaches Ahead, as 4 out of 5 Businesses Fail Interim PCI Compliance Assessment



Compliance with the Payment Card Industry Data Security Standard (PCI DSS) continues to improve, but four out of five companies still fail at interim assessment. This indicates that they've failed to sustain the security controls they put in place.

Nearly 80 percent of all businesses fail their interim PCI compliance assessment, leaving them vulnerable to cyberattacks, according to Verizon's 2015 PCI Compliance Report released in March. With more than two-thirds of all purchases made with payment cards and \$20 trillion in credit card transactions expected for 2015, security has become a top priority for organizations that accept credit cards.

In its fourth annual installment, Verizon's 2015 report examines the state of Payment Card Industry Data Security Standard (PCI DSS) compliance and its correlation to data breaches among global organizations in the financial services, retail, and travel and hospitality industries, among other sectors. Verizon's cybersecurity research has consistently found that since 2009, organizations suffering a data breach showed lower than normal compliance with a number of PCI DSS controls.

By reducing the likelihood of being breached, companies can better manage their brand, ensure consumer trust, and potentially avoid hefty fees. In fact, 69 percent of all consumers are less inclined to do business with a breached organization.

The underlying conclusion of the report is that compliance at a point in time isn't sufficient to protect data. Putting the focus on making compliance sustainable is key. It must be a part of day-to-day activities within an organization's greater security strategy.

Key 2015 PCI Findings Overview

This year's findings indicate that only 29 percent of companies are still fully PCI DSS-compliant less than a year after being validated. While annual compliance and ongoing control standard maintenance remains low, there is a bright spot in the 2015 report. Almost twice as many companies were validated as compliant during their interim compliance review in 2014 as compared with 2013.

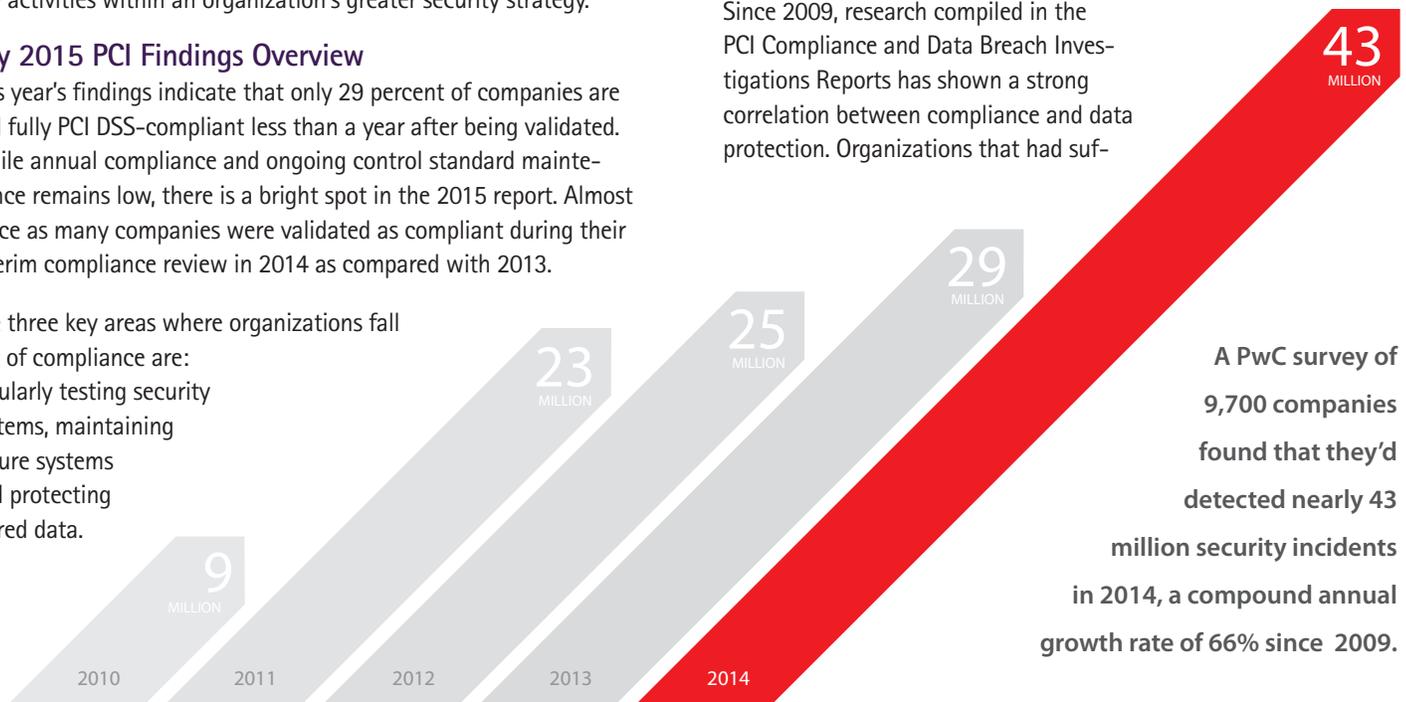
The three key areas where organizations fall out of compliance are: regularly testing security systems, maintaining secure systems and protecting stored data.

Of all the data breaches studied, the report clearly shows that not a single company was fully PCI DSS-compliant at the time of the breach.

A troubling trend from this year's report is that data security is still inadequate. The volume and scale of data breaches in the past 12 months is proof that current security techniques are not stopping attackers — in many cases they aren't even slowing them down. PCI DSS compliance must be viewed as part of a comprehensive information security and risk-management strategy. A PCI DSS assessment can uncover important security gaps that should be fixed, but it is not a guarantee that the data is safe from a cyberattack.

Reduced Data Breach Costs

Since 2009, research compiled in the PCI Compliance and Data Breach Investigations Reports has shown a strong correlation between compliance and data protection. Organizations that had suf-



A PwC survey of 9,700 companies found that they'd detected nearly 43 million security incidents in 2014, a compound annual growth rate of 66% since 2009.

ferred a data breach showed lower than normal compliance with a number of PCI DSS controls. While compliance is no guarantee that you won't be breached, it should reduce the likelihood — that's why the PCI DSS exists.

Compliant versus Secure.

COMPLIANT: Actually being PCI DSS compliant means achieving and maintaining all the PCI DSS controls throughout the year.

SECURE: No organization can ever be fully secure. "Secure" is an absolute and it is not possible to say with certainty that a breach cannot occur. To do so you'd need to have complete knowledge of all threats, established and emergent.

Compliance, Data Breaches, And The Law

The PCI security standards are not law (except in a couple of U.S. states) and so non-compliance is not punishable by imprisonment; instead, it's enforced through terms of business as part of the contract between the merchant, acquirer, and other parties. Companies that choose not to comply are likely to get less beneficial commercial terms (and may even be refused service), and those that suffer a breach and are found to have fallen out of compliance are likely to face significant penalty fees.

In January 2015, President Obama outlined a plan to push for a federal data breach disclosure law covering all U.S. companies. The proposed law would oblige companies to notify potential victims of a suspected data breach within 30 days. Almost all states already have a data breach law, and many of those are more stringent than Obama's proposal. Some only cover defined industries — typically insurance and healthcare — but set tighter time limits, as little as five days, and several include financial penalties.

This year's report covers three years of data and includes the results from PCI assessments conducted by Verizon's team of PCI Qualified Security Assessors for Fortune 500 and large multinational firms in more than 30 countries. The report also includes details of how and where companies fall out of compliance once achieved, and recommendations on how to make compliance easier, featuring actionable recommendations for enterprises that want to stay PCI compliant. The report is based on actual casework and is the only report of its kind in the industry. The report series analyzes PCI DSS assessment data, with a specific focus on the financial services (30 percent), retail (26 percent) and hospitality (15 percent) industries across the Americas (55 percent), Europe (23 percent) and the Asia-Pacific region (22 percent).

The 81-page report offers an in-depth analysis of each of the 12 PCI requirements, including a look at compliance against the 3.0 standard, with an eye toward the soon-to-be-released 3.1 standard. The report is available at <http://www.verizonenterprise.com/pcireport/2015/>.

Industry News

Continued from page 3

of U.S. in-store sales. The company's mobile app accounted for 90% of U.S. mobile payment volume in 2013. Starbucks plans expand its new mobile ordering and payment capability to over 600 stores in the Pacific Northwest. The company intends to add delivery in the second half of 2015, relying on both its own staff of baristas and a third-party service.

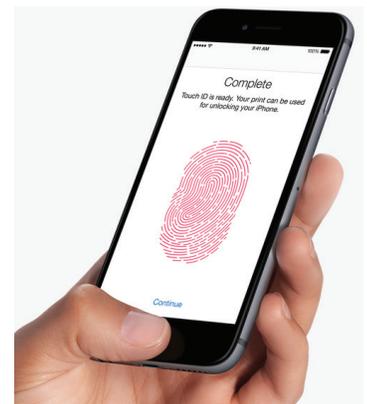
U.S. Consumers' Credit-Card Debt continues to fall.

US consumer borrowing is on a well-worn path as growth in student and auto loans continued to increase, while credit cards showed a version of their recent years' pattern of a post-holiday hangover. Increased borrowing for cars and higher education drove January's debt increase. Nonrevolving credit, representing mostly auto loans and student debt, grew at a 6.29% annualized rate. Revolving credit, reflecting credit-card debt, fell 1.57% in January, though that followed a sizeable 8.41% increase for December.

Costco Strikes Deal With Visa, Citigroup. Just one week after announcing that the co-branded card program would not be renewed with American Express, Costco announced that the program would transition to Citibank and Visa as of 4/1/16. The U.S. Costco business accounts for about 20 percent of AmEx's loans and 10 percent of its cards. Citibank operates many major co-brand programs, including American Airlines, Sears, and Macy's.

6% of iPhone 6 owners have used Apple Pay.

Around six percent of iPhone 6 and 6 Plus owners have used Apple Pay to make a touchless transaction, according to market research firm InfoScout, aside from the six percent who used or continue to use Apple's iPhone-based NFC payment solution, 85% of iPhone 6 owners have not even played with the service. The remaining 9% said they experimented with Apple Pay, but forgot how to use it when making a purchase or didn't know where it was accepted. The number of financial institutions participating in Apple Pay is steadily increasing. Apple has recently added another 39 banks and credit unions, bringing the total to almost 150 partners across the U.S., with another 700 awaiting authorization.





MAP launches Visa Prepaid Mobile Banking For Credit Unions

MAP Prepaid is pleased to announce the launch of its “MAP App” for smartphones. With the MAP App, cardholders can manage their Visa Prepaid card account directly from an iOS or Android mobile device and download the MAP app to their smartphone from the Apple® App Store or Google Play™.

The MAP App is the first network-branded prepaid card exclusively serving credit unions to offer mobile banking. The full-featured app allows cardholders to check balances, view recent transaction history, suspend or reactivate cards, search for ATMs or ReadyLink locations using the built-in locator, and setup transaction and balance alerts directly from their phone.

“This application is free to download and makes it easy for you to bank on the go,” said Jaime Noyola, Vice President of Product Services for MAP. “By some estimates, the mobile banking market may soon overtake the computer online banking market in terms of usage. Prepaid cardholders should not be left behind.”

“MAP’s Visa Prepaid mobile app is an amazing solution for Visa Prepaid card users,” said Cyndie Martini, CEO. “The speed, convenience,

and ease with which members can manage their money on a Visa Prepaid Card make this a market-leading innovation for credit unions. Cardholders can now load funds onto their Visa® Prepaid cards with the Ingo Money app, and that is a real game changer for the whole prepaid industry.”

Research from Center for Financial Services Innovation and the Federal Deposit Insurance Corporation suggests that mobile phones and prepaid cards present opportunities for credit unions to reach unbanked and underbanked customers. This underserved market generated \$103 billion in revenue in 2013, an increase of 7.1% over the previous year. Underbanked households are more likely to use smartphones than bank branches, computers or telephones to access money and accounts — and they’re much more likely to do so than even fully banked households.

In addition, prepaid card users are more likely to be interested in opening bank accounts than their counterparts. In the FDIC survey, about half of unbanked households that used prepaid cards — 47% — indicate they are likely to open a bank account within a year (versus 32.6% for the cardless).

Letter from the CEO

The payments industry is exploding with new technologies and new entrants with companies you never thought would be in payments: Apple, Google, Amazon, Facebook, AT&T, Verizon, and so on. It seems like every day there is a new upstart trying to break in, including Venmo, Bitcoin, Loop, Leaf, Revel ... and even Snapchat.

This can leave credit union executives feeling vulnerable on many fronts. Not only are you left questioning the relevance of your current payment solutions at your credit union and in the movement, you also have to worry about the risk these start-ups and even the big players pose to your membership. When Apple Pay launched, only three Debit PIN networks were compliant with the Durbin Amendment's dual-routing rules. Rushing into a new venture like this one could create financial or compliance risk if you are not getting sound advice.

At MAP, we are committed to balancing good management practices against the tide of daily news stories and the promise of the next-big-thing. Even though only six percent of Apple 6 users have used Apple Pay, there are still only a few voices recommending a measured approach to mobile payments.

Your members want a fast, smooth, easy experience that they can *trust*. This is where credit unions have the advantage. Your members care about your institution. They want their payments to be easy and *secure*. They want to share in your success, but they also care about the risks, including card fraud, mega bank competition, and speculative schemes. In short, they have a stake in their payments. Members do not want to relinquish control of the transaction process even as they demand more convenience. This issue is complete with products and solutions that will assist you in being competitive while serving your members as a stakeholder in your credit union's success.

CardControl. I can't tell you how excited we are about this new solution. Mercator Advisory Group research states that more than 40% of the U.S. adults surveyed express interest in obtaining this type of service from their financial institution. Mercator believes that debit card issuers will make this capability a standard offering to cardholders over time. See the *Fighting Fraud* cover story.

Our Annual Users Conference. This looks to be one of our best user conferences yet as we explore the most important issues of concern for our credit unions, including a new and expanding array of fraud and risk solutions and proven card marketing and management solutions. We hope you can join us for this very popular event. See *uConference 15* on page 2.

At MAP, we strive to make our clients more competitive by providing payments solutions that best serve their members. Our success comes from providing cost effective, best-in-class solutions for our clients. For more information about how MAP can best serve you and your institution, feel free to call me, 1-866-598-0698, ext 1610 or email me at cyndie.martini@mapacific.com.



Cyndie Martini
President/CEO

A handwritten signature in blue ink that reads "Cyndie Martini".

PRSR STD
US POSTAGE
PAID
SEATTLE, WA
PERMIT #1445



16000 Christensen Road, Ste 200
Seattle, Washington 98188

Phone: 1.866.598.0698

Fax: 206.439.0045

Email: info@mapacific.com