

MEMBER ACCESS PROCESSING

Payments Report

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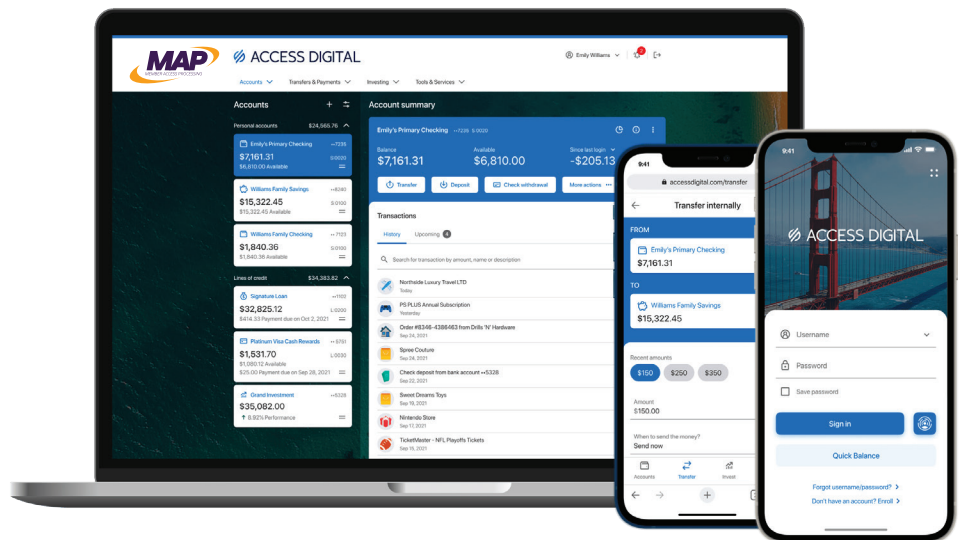


PO Box 88884
Seattle, Washington 98188

Phone: 1.866.598.0698
Fax: 206.439.0045
Email: info@maprocessing.com

www.maprocessing.com

Reimagining the digital banking experience with Access Softek



Friction is the enemy of adoption –whether it's payments, online loan origination, digital apps, or most any credit union transaction. During the pandemic, the branches closed and members adopted digital banking tools and methods beyond what would normally have occurred. MAP recognizes that it's not just payments that are going full on digital, it's the entire banking experience.

With the introduction of the Access Softek Digital Member Banking platform MAP offers clients an enterprise suite of software for mobile banking, online banking, omnichannel lending, and omnichannel account opening.

Access Softek offers an omnichannel digital banking experience that meets members where they are: managing their money on the go, financing a new home or car, or seeking a new community for their financial lives.

"Everything we do centers around supporting credit unions by meeting the needs of their members," said Cyndie Martini, President/CEO, at MAP. "Access Softek offers a comprehensive set of solutions that work seamlessly together. We are excited to offer these solutions to our credit unions in order to help them build stronger relationships and see increased growth."

See "Access Softek" on page 2

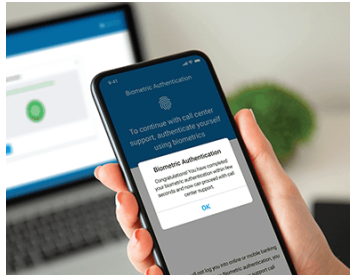
Digital Member Banking

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"Credit unions are uniquely positioned for success because of the relationships they have with members," said Chris Doner, founder and CEO of Access Softek. "By adding a cutting-edge digital experience, credit unions can stand up to the competition we're seeing in financial services today."

Digital Member Banking platform product suite includes the following:

Biometric Authentication Manager (BAM) allows call center and other support staff to trigger biometric authentication on a caller's mobile app based on the biometrics native to all Apple and Android smartphones. Within a few seconds the caller is authenticated and staff can move directly to fulfilling on the caller's requested service. It is familiar, trusted and accepted by nearly all consumers.

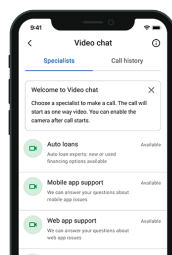


Real-Time Fraud Control protects the account by learning each user's normal digital behavior and reacting when out-of-pattern activity is detected for that user. Fraud Control provides visualization and reporting tools to inspect fraudulent threats. Analyze individual sessions, report on suspicious activity, and fine-tune the system to establish the protection that's right for your institution.

EasyVest is the first robo-advisor designed to seamlessly integrate with any bank and credit union online and mobile banking platform. It provides the services of a personal banker via automation and algorithm-based financial planning services. This automation provides community institutions a tool to tap into the \$73 trillion investment market and provide wealth-building services traditionally dominated by investment firms, fintechs and large national banks.



Conversational Banking is the enabling of a two-way digital experience. Two-way digital experiences are an opportunity for credit unions to provide member self-service and virtual banking needs using an AI powered ChatBot or the member can be served directly by a Contact Center associate via Live Chat or Video Chat.



Each is secure, reliable and easy to use. Individually or bundled together, while offering the customer or member immeasurable convenience, these solutions offer you:

- Improved customer or member experience and loyalty
- Reduced expenses
- Increased opportunities for sales and cross-sales
- Deepened understanding of client pain points
- Shortened problem resolution times



Commercial Banking Platform provides an easy way for local business owners to quickly, easily and securely get a clear picture of their business finances 24/7. Our solution can be tailored to meet the business account requirements of your customers or members, whether they have one location or 100+ or are cash, check or payables intensive.

Omnichannel Lending helps credit unions increase loans, expand your banking channels, and provide one-stop 24/7 loan services. A rules-based decision engine drives identification of automatically eligible users. It can approve loans immediately and deposit funds to accounts. Pre-populated applications ensure accuracy and speed. Users can save application information so even more data pre-populates their next loan.

Omnichannel Account Opening solution incorporates AI and machine learning to automatically detect and prevent fraud via ID and facial image recognition, behavioral analysis, and text/document recognition. The account opening process truly integrates and automates third parties so that key steps like e-sign and funding holds are completed in real time, without requiring applicants to leave their application or return after a delay. With analytics and A/B testing, plus the ability to set up multiple account-opening experiences, you are delivering the best possible experience to your respective accountholders.

With MAP's Integrated Digital Banking platform, you'll be able to offer a state-of-the-art vision of cross-channel accessibility that helps you meet your members wherever they prefer to bank: online, through native mobile apps and mobile browsers, and even on wearables like Apple Watch. Thanks to our native application architecture, designed completely in-house for a consistent and unified vision, every user touchpoint experience feels native to that device for an optimized user experience.



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ACCESS SOFTEK, INC

MAP announces Visa Prepaid Virtual Cards



In the October issue of Corporate Spend Playbook, PYMNTS found companies are finding virtual credit and debit cards to be a welcome partner in reducing wasteful spend. By 2026, virtual cards are expected to be the digital payment tool of choice, as virtual card-based expenses will reach \$6.8 trillion, up from \$1.9 trillion this year. By generating a unique digital card account number, users no longer need to carry a physical card, increasing convenience and security while maintaining control and oversight of spending. Member Access Processing (MAP) has launched a Visa Prepaid Virtual card as part of its suite of Visa Prepaid Debit and Gift cards. The MAP virtual prepaid cards are issued and stored digitally with no corresponding physical plastic.

“At MAP, we are speeding up the process for credit union members to have access to prepaid funds,” states Cyndie Martini, MAP’s Chief Executive Officer. “The Visa Prepaid Virtual card gives members the ability to make online purchases with a desktop computer or mobile phone right away without the plastic prepaid card.”

The Visa Prepaid Virtual works anywhere Visa is accepted and works exactly like a Visa debit card. It has the first name, last name, expiration date, and a secure CVV code. At the point of purchase, the cardholder’s Visa account information is entered online for purchases. MAP also provides online access for cardholders to access their account and transaction information in real-time.

The safer choice, the Visa Prepaid Virtual card is backed by Visa’s fraud technology and the cardholder can access their virtual card on multiple devices. Credit Unions also benefit by not having to order plastic cards for their members. MAP’s best-in-class customer service team is always there to support credit unions and their members with their Prepaid programs.

Industry News

66% of consumers skipping their Bill Pay Service. According to a recent PYMNTS report, The Flexibility Factor, 63% of consumers who did not use their online bill-pay services to pay all their bills and they saw no reason to do so. Fifty-two percent of this group reported that the payment experience was not better in terms of features such as rewards, alerts, reminders and statement details. Forty-eight percent of consumers are “very” or “extremely” concerned about missing bill payments, and nearly as many are very concerned about the lack of clarity associated with tracking those payments. Moreover, the report showed that 24% of consumers had a late payment or missed a payment in the last 12 months. The rates of late or missed payments are much higher for millennials (40%) and bridge millennials (38%) than the general population.



Chargeback rate increases again. According to companies that process at least online transactions, 58% think their company’s chargeback rate has increased since March 2020 with 45% of respondents speculating delivery delays are the top reason for the increase. The results were published by Kount, a US-based digital trust and fraud prevention company, in the “Digital Payments in 2021: Opportunities and Chargeback Risks” survey.



Fed Chair says central bank evaluating digital currency.

The U.S. Federal Reserve said Wednesday it is evaluating the creation of a central bank digital currency, or CBDC, and that it intends to publish research on the subject shortly, according to Chair Jerome Powell. “We also live in a time of transformational innovation around digital payments,” Powell said, “and we need to make sure that the Fed is able to continue to deliver to the public a stable and trustworthy currency and payment system.”



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2021 Fraud Report: Top Six Fraud Trends

As we move further into 2021, it's clear that fraudsters have largely honed in on one particular area of attack: digital accounts.

This is not surprising, as the transformation taking place in business has put the digital account squarely at the center of most consumers' lives – according to the State of Fraud Report 2021.

The 2021 State of Fraud Report found that fraudsters are increasingly focusing on digital accounts, whether that is by compromising existing user accounts or creating fake new accounts to commit fraud. The report also found that attackers are leveraging fraud farms and mobile devices to increase their ability to mimic the way consumers interact today. As mobile continues to be a more predominant channel for consumers to repeatedly access and interact with their favorite platforms, fraud is following suit to blend in with “normal” consumer behaviors.

“Whether they are taking over existing user accounts, or creating fake accounts for a variety of purposes, fraudsters expertly disguise themselves as legitimate users to abuse and monetize digital accounts,” said Kevin Gosschalk, CEO of Arkose Labs. “With customer-centricity vital for success in this digital world, businesses must enable a seamless account login or registration process, while still being vigilant at monitoring these touchpoints as the starting points of fraud.”

In early 2021, the Arkose Labs team uncovered attacks which first centered on the registration flow, followed immediately by an attack on logins. A declined registration can validate if the account exists already, leading the bad actor to pivot to an account compromise attack. As cybercriminals deploy these multi-pronged strategies, platforms must have an adaptable approach that protects both account entry points. Additional highlights from the report include:

Surge in New Account Fraud - Fake new account registration comprised over one-third of attacks detected in 2021, an increase of over 70% from the end of 2020. Fake accounts contribute to a wide range of in-platform abuse, such as spam, phishing and info scraping.

Prevalence of Credential Stuffing - With stolen credentials and sophisticated tools at their fingertips, fraudsters are continually profiting from high-volume credential stuffing attacks and getting through standard defenses. Credential stuffing accounted for 29% of all attacks across the Arkose Labs network.



The Maturation of Mobile - 50% of all digital traffic (good and bad) originated from a mobile device, up from 35% in the second half of 2020. The mobile attack rate was 24%, meaning businesses must be increasingly aware of attacks originating from mobile devices.

Increase in Human-Driven Attacks - The first half of the year delivered a 6x increase in the human-driven attack rate vs. bot attacks. This is part of a growing trend towards hybrid and human-assisted attacks at scale.

New Attacks out of Asia - In addition to high activity in known fraud countries of origin, such as Russia and Vietnam, China and India are back on the map as top attacking countries. Asia also had the highest percentage of human fraud farm attacks, with 60% of all such attacks originating from Vietnam and China. This illustrates this region's importance to fraudsters in finding human labor to deploy to supplement automated attacks, or to carry out tasks that require more nuance than bots can currently manage, such as sending phishing messages on online dating scams.

The 2021 State of Fraud Report is based on actual user sessions and attack patterns that were analyzed by the Arkose Labs Fraud and Abuse Prevention Platform from the first half of 2021. These sessions, spanning account registrations, logins and payments from financial services, ecommerce, travel, social media, gaming and entertainment were analyzed in real-time to provide insights into the evolving fraud and risk landscape. Unsophisticated bot attacks don't result in a user session and thus have not been included in this report. The report focuses on attacks from fraud outlets that combine state-of-the-art technology with stolen identity credentials and human efforts.

Fraudsters are tricking facial recognition systems with deepfakes and creepy masks

Facial recognition for one-to-one identification has become one of the most widely used applications of artificial intelligence, allowing people to make payments via their phones, walk through passport checking systems or verify themselves as workers.



Analysts at Experian report that they expect to see fraudsters increasingly create “Frankenstein faces,” using AI to combine facial characteristics from different people to form a new identity to fool facial ID systems. The analysts said the strategy is part of a fast-growing type of financial crime known as synthetic identity fraud, where fraudsters use an amalgamation of real and fake information to create a new identity.

The idea of fooling these automated systems dates back several years. In 2017, a male customer of insurance company Lemonade tried to fool its AI for assessing claims by dressing in a blond wig and lipstick, and uploading a video saying his \$5,000 camera had been stolen. Lemonade’s AI systems, which analyze such videos for signs of fraud, flagged the video as suspicious and found the man was trying to create a fake identity.

Apple Inc.’s Face ID, which was launched in 2017 with the iPhone X, is among the most difficult to fool, according to scientists. Its camera projects more than 30,000 invisible dots to create a depth map of a person’s face, which it then analyzes, while also capturing an infrared image of the face. Some banks and financial-services companies use third-party facial-identification services, not Apple’s Face ID system, to sign up customers on their iPhone apps. Many online-only banks ask users to upload video selfies alongside a photo of their driver’s licenses or passports, and then use a third party’s facial-recognition software to match the video to the ID. The images sometimes go to human reviewers if the system flags something wrong.

Unfortunately, it can take 10 times the number of images needed to train a facial-recognition model to also protect it from spoofing—a costly and time-consuming process. Companies such as Google, Facebook and Apple are working on finding ways to prevent presentation attacks. Facebook, for instance, said last month that it is releasing a new tool for detecting deepfakes.

Visa News

Visa Unveils Universal Payment Channel (UPC) for Blockchain.

Visa is working on a universal payment channel (UPC) project that connects blockchain networks to a variety of cryptocurrencies, stablecoins and central bank digital currencies (CBDCs).



Visa’s research and product teams introduced the blockchain interoperability hub that connects blockchain networks and allows for transfers of digital assets. The project is designed to create dedicated payment channels between blockchain networks, connecting CBDC networks from country to country as well as with private stablecoin networks, per the announcement. Visa explores ways to send digital currencies across different blockchain. Visa has highlighted the need for a UPC due to a large number of digital currencies and the necessity for a common network. The solution is viewed as a ‘universal adapter’ among blockchains, allowing central banks, businesses, and consumers to seamlessly exchange value, no matter the form factor of the currency.

Visa acquires Currencycloud.

Visa has acquired Currencycloud, a platform that enables banks and fintechs to provide foreign exchange solutions for cross-border payments.



The acquisition builds on an existing partnership between the two companies and values Currencycloud at GBP 700 million, inclusive of cash and retention incentives. The financial consideration will be reduced by the equity of Currencycloud that Visa already owns. Currencycloud will strengthen Visa’s existing foreign exchange capabilities by extending them to better serve financial institutions, fintechs, and partners while enabling new use cases and payment flows.

Visa to boost anti-fraud solution with Callsign.

Visa has chosen UK-based regtech company Callsign to be its preferred behavioral biometric digital and device intelligence identity provider. This deal will see Visa implement Callsign’s behavioral biometric and device fingerprinting solutions to its network of financial institutions. Callsign’s technology helps firms ensure the user is who they claim to be and if they are permitted to access what they request. Through machine learning, the technology combines behavioral biometrics, device intelligence and geo-location to

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Generation Z looking for relationship with Financial Institution

Often described as “the connected generation”, “digital natives”, “GenTech”, “Zoomers” or “the mobile generation”, with high standards and an attention span of no more than eight seconds, this demographic comprises the most tech-savvy and brand-conscious, active users and influencers of social media, taking digital to the extreme.

Their lack of experience of a pre-digital world sets them apart from millennials. However, as they watched the Millennial generation dive into deep debt from student loans, especially during rough economic times, Gen Z has become more financially conscious. Moreover, the Gen Zers' choices strongly reflect the strength of parents' banking preferences, according to the report “Generation Z: Their payments are our future” from Marqeta, a fintech payments platform.

“While it is a common belief that Gen Z is digital-only and will bank with whatever app they find most useful, our data shows they currently have a strong preference in opening and having bank accounts with well-established banks,” Marqeta’s report reads.

Almost nine out of ten Gen Z consumers (87%) still prefer traditional banking providers to the competitive neobanks and fintechs who are dominating the news, according to the report. Over one in five suggest the key feature would be an easier way to pay through social media (22%), while, nearly 15% of Gen Z would be swayed by having the same financial services products as their friends.

Despite the availability of a wide range of digital payment technologies, our survey shows that Gen Z still relies heavily on cash. Over 80% of Gen Z still uses physical cash to make purchases for a surprising amount of their weekly transactions (almost a quarter doing so once a week). Interestingly, nearly two thirds (62%) of Gen Zers have never used Buy Now, Pay Later for purchases, and more than 10% of survey participants do not know what it means. These percentages reflect the importance of introducing Gen Z to different financial products when they are young, bringing out the benefits of enhancing education and understanding and what this could mean in later life. Financial literacy is essential for children to define their future spending habits.



Although challenger banks are slowly pulling in more consumers – expected to top 20.2 million users by the end of 2021 – only one in ten (12%) of Gen Z consumers say they are banking with neobanks, like Monzo and Revolut, in any capacity. Of these, only 4% actually use challenger banks exclusively and the other 8% say they bank with both traditional players and neobanks. (The survey was conducted in the U.K., where neobanks are more established than in the U.S.)

To add to the shock factor, Marqeta also found in its research 80% of Gen Z still uses cash on a weekly basis, which the company suggests is a sign the new kids on the block aren't ready to forgo their physical wallets.

Gen Z is known for being resilient, financially sharp and hyper socially-conscious. However, the latest generation entering the financial industry is coming in at the same time challenger banks are gaining ground. So, it's easy to understand why legacy institutions are concerned with losing out on the newest market segment.

Gen Z is expected to be an influential generation of consumers. To date, Gen Z accounts for a fifth of the U.S. population, which rounds out to about 67 million people. Seeing as they were born between 1995 to 2015 (give or take a few years), the oldest ones are graduating out of their teens and entering young adulthood.

Inflation and consumer confidence point to bumpy holiday spending season



Connect the dots and the data points and trouble may loom for the holiday season. Inflation is on the rise. Purchasing power is waning. Consumer confidence seems wobbly — and as a result we may find that consumers pivot toward buying the goods and services that they “must” have rather than gifting everyone on their list.

Consumer confidence fell for the second month in a row, as the pandemic lingers and inflation ticks up. The latest reading from the Conference Board stood at 109.3 in September, where it had been 115.2 the month before. The numbers fell to 109.3 in September after being revised to 115.2 in August, per the release. Consumers had reduced their expectations to buy larger-ticket items such as homes, major appliances and automobiles. It's not far-fetched to think that if current trends continue, then that hesitation to spend may translate to smaller, everyday items — or the gifts that pile up for relatives and friends in advance of, and during, the holiday shopping season.

Retailers are, in a way, trying to gain as much traction as they can, with an eye on top-line torque — sooner rather than later. There already has been an acceleration in holiday shopping deals and promotions. The Target Deals Event, of course, is on its way this month, and the company also has opened its Holiday Price Match Guarantee. Amazon has been moving its Black Friday deals up on the calendar.

Along with the inflation, of course, comes the fact that supply chain issues are making it more expensive for retailers (to the tune of a few hundreds of billions of dollars) and other merchants to get whatever they can get in place to satisfy customer demand or anticipated consumer demand.

Industry News

Continued from page 3

Federal agencies issue FinTech guidance. Guidance published in collaboration with several federal agencies was recently handed down to offer voluntary counsel for community financial institutions launching partnerships with FinTechs, according to a recent report. The Federal Deposit Insurance Corporation (FDIC), the U.S. Federal Reserve (Fed) and the Office of the Comptroller of the Currency (OCC) collaborated to develop the 20-page report, called “Conducting Due Diligence on Financial Technology Companies: A Guide for Community Banks.” The report is intended to assist community banks when considering partnerships with FinTech platforms.



84% of people say businesses should use AI fraud protection. According to research from Trulioo, people believe that businesses will need to rely more on automated fraud protection to protect customers as fraudsters become more sophisticated with a whopping 84% of consumers believe this. Further, almost three quarters (74%) of people said they feel secure when they are asked to log into their bank account to verify their identity for other online services. A further 72% feel secure when behavioral biometrics, such as AI-enabled analysis of their voice and typing speed, is used. Nearly half of all consumers (48%) believe that online brands are ultimately responsible for protecting them from online fraud and identity theft, and 32% feel that the onus lies with their bank or credit card company. Fewer than one in five people (18%) stated that it is their own sole responsibility.

2020 Credit Card ROA drops during COVID. With revenue

streams coming from fees, interchange, and interest, credit cards generate returns significantly higher than retail banking when measured by return on assets (ROA). In 2020, credit card issuers returned a 2.40%



ROA, significantly below the 4.14% achieved in 2019. However, even with the card industry adapting to a substantially more conservative loan loss provision, the global pandemic, and a shift in consumer borrowing, it still performed at almost 300% of the level reported for all commercial banks, which delivered a 0.88% ROA, according to the Federal Reserve Bank's 2021 Report on the Profitability of Credit Card Operations of Depository Institutions.

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Visa expands rewards to create everyday value for cardholders

Visa benefits are constantly reimagined to match the real-life needs of our consumer credit cardholders. Visa is committed to providing cardholders with easy access to valuable new perks that reflect what's most current and relevant today.

Visa has announced three new perks for holders of some consumer credit cards, including grocery delivery service Shipt, online learning service Skillshare and live-music promoter

"We're always looking to bring diverse and desirable experiences to Visa cardholders in ways that help create value in how they shop every day," said Brian Cole, Head of Product, North America, Visa. "These new benefit providers enhance our refreshed credit benefits portfolio to deliver special access for Visa consumer credit cardholders."

Visa stated in a news release announcing the new perks that the level of benefits will vary according to the type of card a customer has.

Visa Infinite, Visa's ultra-premium card program, offers cardholders up to three years of free Shipt membership, a retail delivery service that partners with more than 130 major retailers. Cardholders can also get a free three-month membership and 30% off annual renewals for Skillshare—an online learning platform. Customers also get exclusive presale access and free tickets on eligible purchases through live music startup Sofar Sounds.

Visa Signature cardholders can get three free months of Shipt, then nine months at 50% off. They also get three free months of Skillshare and 20% off annual renewals. Cardmembers also qualify for the same Sofar Sounds perks as Visa Infinite cardholders.

All other credit cardholders get one free month Shipt and three months at 50% off. They also get exclusive presale access and up to two free tickets a year on eligible Sofar Sounds purchases.

The opportunity: As credit card spending increases, Visa can use the new rewards to maintain its growth trajectory and fend off competition by shoring up relationships with issuing partners.

Visa's rewards can incentivize consumer spending to sustain recent growth—the network's credit card spending rose 30% and 26% year over year (YoY) in July and August, respectively. They also build on existing issuer credit card perks, which makes Visa cards more enticing to spend with and



makes Visa an attractive partner for issuers.

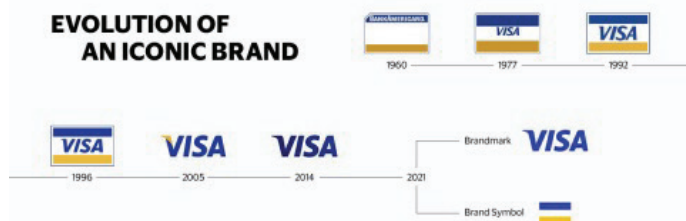
Cardholders have high expectations for rewards—60% of consumers said rewards were "very important," per Ipsos. Strong rewards can also induce spending and help boost volume and revenues.

Enhanced rewards, particularly for its ultra-premium cardholders, can help Visa keep up with Mastercard, which made similar enhancements to its ultra-premium and premium cards in April, and maintain its global leadership position: Last year, Visa held a 40% share in global network purchase volume, with Mastercard trailing at 24%, per the Nilson Report.

With the addition of these exclusive benefits, Visa consumer credit cardholders can enjoy even greater depth of choice in benefits to get the most of their Visa credit cards. The new services complement the addition of benefits from NortonLifeLock announced earlier this year.



Meet Visa: Reintroducing the Iconic Visa Brand



Visa unveiled the new phase “Meet Visa” to introduce its brand evolution that spotlights the diverse capabilities of its network and commitment to enabling global economic inclusion. Aligned closely with the company’s business strategy, this phase includes the debut of a dynamic global marketing campaign and a preview of a modernized look for Visa’s iconic brand.

More than 60 years ago, when Visa was founded, few could imagine a world beyond cash and checks. Visa’s founding vision to introduce a more secure, reliable and convenient currency in digital form began with a simple question: what if money became fully electronic? Today, Visa continues to anticipate the future of digital commerce, providing access through its secure global network working for everyone, everywhere.

“People think they ‘know’ Visa. Consumers and businesses trust the power of those four letters and see it when they open their wallet, pay a vendor, walk into a store or check out online. What they don’t see is how those four letters operate the most dynamic network of people, partnerships and products,” said Lynne Biggar, Executive Vice President and Global Chief Marketing Officer, Visa. “We are on a mission to ensure that Visa is seen as more than a credit card company and understood as a trusted network that drives commerce forward.”

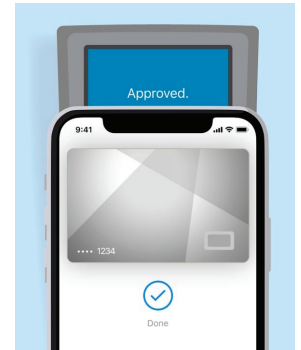
While Visa continues to shape the physical and digital credit or debit card transaction, it also increasingly sits at the center of enabling money movement. A company built on access to economic inclusion, the Visa network connects 3.6 billion credentials, over 70 million merchant locations, tens of thousands of partners and powers more than \$11 trillion in total volume annually. Over the last five years alone, Visa has invested \$9 billion in technology to shape the future of commerce, delivering a differentiated set of products, services and benefits.

Visa News

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offer multi-factor authentication of people.

Visa Could Take a Bite Out of Apple Pay Fees. Member financial institutions are pushing Visa to alter the way it processes some Apple Pay transactions, a change that would reduce the fees Apple receives from those institutions. According to media accounts, Visa plans to institute the change next year. Currently, issuers pay a fee to Apple when their cardholders use Apple Pay. If Visa implements the change, those fees wouldn’t apply to recurring payments for things like Netflix subscriptions.



Visa Creates Program to Promote NFT Artists. Visa is partnering with artist Micah Johnson, the former second baseman and outfielder for the White Sox, Dodgers, Braves and Rays, in building a program to support artists in the creation of non-fungible tokens (NFTs), according to an announcement on Visa’s website. Through the collaborative effort, Visa and Johnson will help creators understand NFT technology and how to harness public blockchains for producing and selling digital goods. NFTs are digital assets created to showcase various items such as art, video, music and games. For its part, Visa will offer an open application process aimed at selecting a group of creators. From there, the company will sponsor the group and offer consultation services to help participants move through the world of crypto and traditional payment infrastructure.



Visa To Acquire European Open Banking Platform Tink. Visa announced it will acquire Tink, a European open banking platform that enables financial institutions, fintechs and merchants to build tailored financial management tools. Through a single API, Tink allows its customers to access aggregated financial data, use smart financial services such as risk insights and account verification and build personal finance management tools. Tink is integrated with more than 3,400 banks and financial institutions, reaching millions of bank customers across Europe.



Industry News

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Financial crime compliance cost fis \$49.9 billion per year.

LexisNexis' annual True Cost of Financial Crime Compliance Study found that the total projected cost of financial crime compliance in 2021 is approximately \$49.9 billion, up 19% from 2020 and up 58% compared to 2019. The new edition of the survey illustrates the sharp increase in financial crime compliance costs, compared with both the pre- and early pandemic timeframes. This rise is attributed in part to labor costs, increasing regulations and evolving criminal threats. The study projects the average annual cost of financial crime compliance for U.S. financial institutions with \$10 billion or more in assets to be \$27.8 million for 2021, up 36% from last year and 95% since 2019, nearly doubling since the last study examining pre-pandemic times.



More retailers offer apple pay than offer rivals.

According to the 2021 Omnichannel Retail Index, Apple Pay is available at 97% of retailers that offer a mobile-payment option, while 64 percent of retailers said they offered Google Pay and 59% Samsung Pay. Overall, 84% offered a mobile-payment option. That's up dramatically from 56% in 2020, likely spurred by last year's lockdowns and change in consumer behaviors. New trends are taking hold in 2021, too, with 52% offering buy now, pay later payment options. That's up from 38% last year. Seventy-eight percent of retailers offer PayPal checkout, down slightly from 80% in 2020.



Most consumers want to decrease credit card usage.

A majority of U.S. consumers in all age groups—76%—would like to decrease their use of credit cards as they seek to avoid debt, are wary of their ability to pay off their balances each month, and have concerns about making the minimum payments, according to a survey from GoCardless Ltd., a London-based recurring-revenue specialist. These figure are even higher for younger consumers with 84% in both the 18-25 and 25-40 age groups wanting to leave their credit cards in their wallets at the point of sale. Even 63% of those 57 years old or more would like to use their credit cards less. No data was provided for those between 40 and 57.



ReadyLink is now available for use with Debit Cards



In a move aimed at accommodating digital-only financial institutions, Visa Inc. has made its ReadyLink prepaid top-up network available to debit cards. "The expansion makes Visa ReadyLink available to all consumer and business debit cards. The service is optional and issuers need to opt-in," notes a spokesman for the network.

ReadyLink is Visa's prepaid card load network for the U.S. market. It offers cash top-ups at more than 60,000 merchant locations. The addition of debit cards represents a rule change for the network. The ReadyLink network includes a number of major retail chains, among them Safeway, Randalls, Vons, Walmart, and 7-Eleven. Cardholders must have a card with the ReadyLink symbol on the back to use the service at a participating merchant or kiosk.

With the expansion, Visa says it hopes to add to the convenience of its debit card holders, citing cases where additional trips to the bank aren't convenient. It also sees the move aiding financial institutions that have emerged in recent years to serve customers in the online channel exclusively. "It ... benefits programs like Chime that are branchless, as their accountholders have a new channel to add funds," the spokesperson says.

Observers say Visa's move in part could represent a recognition of the growing importance of digital-only banks and their customers. "Fintechs offering banking services, including the neo and challenger banks, now offer checking accounts to [their] customers instead of or in addition to prepaid cards, so Visa's announcement about ReadyLink to also accommodate checking accounts is being responsive to the shifting market need," notes Sarah Grotta, director of the debit and alternative products advisory service at Mercator Advisory Group.

Letter from the CEO

I was pleased to learn that CUNA Government Affairs Conference (GAC) will be held in-person again in Washington, D.C. The annual meeting is vital for the credit union movement and serves as a singular opportunity to advocate for federal policies that better serve members and our local communities. It will also be important to see and catch up with our friends and colleagues from across the country. Hopefully, this will mark the return to a new normal for us all.

The CUNA GAC could not come at a more important time for credit unions. A number of critical legislative and regulatory issues confront our industry that require our advocacy and for our voice to be heard.

Firstly, we have learned that Sen. Dick Durbin (D-IL) is working on legislation that would apply similar limitations on Credit interchange as the Durbin Amendment has applied to Debit interchange. Early indications are that the legislation would focus on routing and potentially prohibit network exclusivity for Credit routing. We have all experienced the compounded problems and expense caused by the Durbin Amendment. Moreover, the consumer benefits promised by its promoters never materialized, resulting in a federal price control that has discouraged competition and innovation in the Debit space. We must do all we can to avoid a repeat of this type of regulation.

Additionally, the Federal Reserve has issued a proposal that would amend Regulation II, which implements Durbin, to apply the requirement that Card Not Present Debit card transactions be able to be processed on at least two unaffiliated payment card networks. The Fed's decision to revisit Reg II risks causing even further consumer harm. As the many industry associations stated in a joint statement: "By reopening the rules surrounding debit card transactions, the Fed could put the convenience, safety, and security that Americans have come to expect when they use their debit card at risk. We will vigorously oppose any attempt to undermine the payments system at the expense of consumers."

Finally, the federal tax exemption for credit unions is again in the cross hairs of legislators and bankers. Recently, the head of the Independent Community Bankers of America argued the tax exemption costs U.S. taxpayers \$2 billion each year. That analysis is incomplete. The benefits of credit unions are vital to many communities, and the loss of the federal income tax exemption would have far-reaching consequences. NAFCU recently published the "Credit Union Federal Tax Exemption Study" that showed removing the credit union tax exemption would cost the federal government \$56 billion in lost income tax revenue over the next 10 years. GDP would be reduced by \$120 billion, and employment would drop by nearly 80,000 jobs per year.

With a dedication to credit unions and their members, we are continually advocating for the success of our client institutions. We recognize that a collective voice is heard more often and more succinctly. That is why we advocate for our clients at the CUNA GAC, through state credit union associations, and with Visa to insure their institutions and members are fully represented in the industry. 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@maprocessing.com.



Cyndie Martini
President/CEO

A blue ink handwritten signature of Cyndie Martini.

PRSRT STD
US POSTAGE
PAID
SEATTLE, WA
PERMIT #1445



PO Box 88884
Seattle, Washington 98188

Phone: 1.866.598.0698
Fax: 206.439.0045
Email: info@maprocessing.com