

Redstone Federal Credit Union®  
Answers to Frequently Asked Questions  
**EMV Chip Technology**

## **About**

### **What is a chip card?**

A chip card is like the card you have today, but includes an embedded microchip. The chip contains information that is encrypted making it extremely difficult for the card to be copied or counterfeited and used for in-person purchases. The chip encrypts information to increase data security when making transactions at a chip-enabled terminal. Your chip card will also have a magnetic stripe on the back, so that you can continue using your card while merchants are transitioning to new chip-enabled terminals.

You may also hear chip cards referred to as "smart cards" or "EMV cards" – they're all different ways of referring to the same type of card. Similarly, an EMV terminal is the same as a chip-enabled terminal.

### **Why a chip card?**

Much of the world uses chip technology in their credit and debit cards which makes them very secure and difficult for thieves to counterfeit. The U.S. will be transitioning to this more secure payment technology over the next few years.

### **What are the advantages?**

The primary advantage of chip card technology is that it provides stronger protection against "skimming," a technique in which criminals copy the data from a card's magnetic stripe and use it to create a duplicate or counterfeit card. When a retailer uses a chip-enabled terminal, the chip technology helps prevent theft of account information.

### **How does chip technology work?**

When your card is inserted in the terminal, the chip communicates with the terminal to determine whether the card is authentic. Typically, the terminal will prompt you to enter a PIN to validate your identity. Once approved, your transaction will be complete.

### **When can I expect to receive an RFCU® debit card with chip technology?**

Beginning February 2016, Redstone will begin issuing EMV chip cards for Consumer debit cards as they expire, are issued/reissued, or are requested. EMV chip cards will be available for all consumer debit card designs.

## **Security**

### **Are chip cards secure?**

Yes. Chip technology has been around for over two decades and is already the security standard in many countries around the world. When purchases are made using the chip feature, the transaction is more secure because of a unique process that is used to determine if the card is authentic. This makes the card more difficult to counterfeit or copy.

While magnetic stripe cards are still considered secure, chip technology is the next step to providing enhanced security to our members. Whether you use the magnetic stripe or the chip to make your purchase, you can have confidence in the protection and security features we provide for all card accounts.

Remember, if you notice any suspicious activity on your account, notify us immediately by calling 256-837-6110 or 800-234-1234.

#### **What are the benefits of chip?**

The embedded microchip provides robust security features and other capabilities that are not possible with traditional magnetic stripe cards. A chip card is virtually impossible to counterfeit.

#### **Will chip cards prevent all fraud from happening?**

No. As the industry continues to develop new ways to protect consumers, perpetrators continue to look for new ways to commit fraud. Chip cards provide an additional layer of security at chip-enabled terminals, on top of the fraud prevention monitoring we currently provide. As always, your purchases are also covered with zero liability\* protection from Visa®.

Chip card technology provides an additional layer of security for card-present purchases to help reduce certain types of fraud resulting from data breaches; however, it will not prevent a data breach. While this technology can't prevent all security breaches, a secure payment technology is an important first line of defense.

#### **Are chip cards more secure than those with just a magnetic stripe?**

All Visa debit cards offer protection from unauthorized use of your card or account information. Chip technology offers another layer of security when used at a chip-activated terminal, because it generates a unique, one-time code that is needed for each transaction to be approved.

#### **Will chip cards allow others to track my location?**

No. Chip card technology is not a locator system. The chip on your card is limited to supporting authentication of card data when you make a purchase.

### **Acceptance**

#### **Where can I use my chip card and will they be accepted by all retailers?**

As the U.S. begins to transition to chip technology, the number of retailers with chip-enabled terminals will grow over time. To ensure you can use your card at any retailer, your new card will have both the chip and the magnetic stripe. If the terminal is chip-enabled, you will insert your card in the slot located at the top or bottom of the terminal and follow the prompts. Otherwise, you will swipe the card as you do today. You can also continue to use your card as you did before for online payments, telephone payments and at ATMs.

#### **Will the chip card require a PIN?**

Follow the prompts on the terminal and wait for the transaction to be processed. You may be required to sign or enter your PIN to complete the transaction. A PIN will be needed to withdraw cash at an ATM.

**Is a chip card the same as contactless payment (for example, PayPass, PayWave)?**

No. Contactless cards employ near-field communication technology (NFC), which has a radio antenna that transmits account information, and work by waving or tapping your card in front of a device. Chip cards must be inserted face-up into a chip-enabled merchant terminal that allows the chip to make contact with the reader to authorize and complete a transaction. (Remember to keep your card inserted into the terminal while the transaction is processed, then remove it when the transaction is completed.)

**Usage**

**How do I make a purchase using my chip card?**

*Merchants with chip-enabled terminals:*

If the retailer has a chip-enabled terminal, simply insert your chip card face up in the terminal. The chip card will remain in the terminal while the transaction is processed. To authorize your transaction, just follow the prompts as you do today.

The card stays in the reader until the purchase is complete. Upon completion, remember to remove and secure your card.

*Merchants without chip-enabled terminals:*

Swipe your card and follow the prompts.

*Online and telephone purchases:*

Enter card information as you normally would

**Are there any situations where I could experience issues using my chip debit card?**

When traveling outside the U.S., some card readers at unattended terminals (such as public transportation kiosks, gas pumps) will require a PIN. In these situations, enter your debit card PIN. Some international self-service terminals do not accept U.S. issued debit cards and may display a message such as "Transaction Canceled". This is known to happen on French Toll Roads or Automated Fuel Dispensers depending on location. In these cases, please locate an attended terminal to complete your transaction, or plan for an alternative payment method, such as local currency.

**Will my chip debit card still work at an ATM?**

Yes. You can continue to use your card as you do today by following the instructions at an ATM and using your PIN.

**What's my PIN?**

The PIN on your chip card is the same PIN as on your previous card. If you forgot your PIN or want to change it, please contact us at 256-837-6110 or 800-234-1234.

**Why does a chip *credit* card work at the chip terminal but my chip *debit* card does not?**

Until the technology is available everywhere, chip card acceptance may vary by type of payment card at some merchants. During this transition, you can always swipe your card to complete the purchase. And rest assured, you're protected with Visa's Zero Liability Policy.\*

## **Now that I have a chip debit card, do I need to notify the Credit Union before I travel internationally?**

We recommend that you set a travel notice on any card(s) you plan to use while traveling, so your card access isn't interrupted. To set a travel notice, sign in to online banking (navigate to Additional Services > Travel form for cards). If you do not have access to online banking, call us at 256-837-6110 or 800-234-1234. For your protection, we'll continue to monitor card activity even when a travel notice is set. If you encounter any issues while traveling, we're here to help.

## **Other**

### **Do the same benefits come with my chip card that I had with my prior card?**

Yes. You'll continue to enjoy the same benefits with your chip card as you do today with your current debit card.

### **Are there any additional fees associated with chip debit cards?**

There is no additional cost to have or to use your new card with chip technology.

### **When will my RFCU credit card have a chip?**

At this time, RFCU doesn't offer credit cards with a chip; however, we will do so in 2016.

*This credit union is federally insured by the National Credit Union Administration.*

*Must be RFCU member or Service Group with a RFCU checking account to obtain a RFCU debit card. Must be RFCU member to obtain a RFCU credit card or other loan. Must be eligible for membership and open a share savings account to join RFCU. \$5 minimum balance is required to open a share savings account and must be maintained in the account. Monthly maintenance fees, opening deposit amounts, and average monthly balances apply to checking accounts. Loans subject to credit approval. Other restrictions may apply. Redstone Federal Credit Union is an Equal Credit Opportunity Lender.*

*Must be RFCU member to use online banking and have a PIN/password. Fees apply if affinity debit card design is requested for Liberty, Privilege, or Mpower® checking accounts.*

***\*For Visa Consumer Cards:** Visa's Zero Liability Policy provides protection against unauthorized Visa Debit and Credit Card transactions processed through the Visa network, including Internet and telephone purchases. The Visa Zero Liability policy covers U.S.-issued cards only and does not apply to ATM transactions, certain commercial credit card transactions, or PIN or other transactions not processed over the Visa network. The Credit Union may impose greater liability on the cardholder if the financial institution reasonably determines that the unauthorized transaction was caused by the gross negligence or fraudulent action of the cardholder—which may include the cardholder's delay for an unreasonable time in reporting unauthorized transactions. Consult RFCU for additional details or visit [www.visa.com/security](http://www.visa.com/security).*

***\*For Visa Business Cards:** Visa's Zero Liability policy covers U.S.-issued cards only and does not apply to ATM transactions, PIN transactions not processed by Visa, or certain commercial card transactions. Contact RFCU for additional details or visit [www.visa.com/security](http://www.visa.com/security).*

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