SPOTLIGHT ON SERVICE

News You Need to Succeed

What's inside

SHAZAM

CHANGING OUR COMMUNICATIONS TO SERVE YOU BETTER

In this **special last issue**, join us in saying goodbye to the monthly Spotlight on Service and hello to the new SHAZAM blogs.

IN THE SPOTLIGHT

Changing our communications to serve you better

Join us in saying goodbye to the monthly Spotlight on Service and hello to the new SHAZAM blogs.

STEVE HESTON, EVP, Chief Sales & Marketing Officer

Fast, concise, relevant. **You've used these words when we've asked you what you need from SHAZAM's communications. I agree.**

The world is spinning fast. We have to speed up our communications to keep you informed and ready.

You're busy. We must be concise, to the point.

You're on a mission to serve your stakeholders. We need to give you relevant news and information to help you accomplish this.

In short, we have to change how we deliver important information to you. To this end, I hope you've heard about — and subscribed to — our two new blogs, **now available at SHAZAM.net/news**.

The **SHAZAM Blog** features weekly insight from experts across the SHAZAM organization, from fraud to HR, from security to IT.

In Good Company is a leadership and strategy blog that I personally post daily.

I hope you find value in these blogs, and I encourage you to **subscribe to both** so they're delivered straight to your inbox.

> ## "EVERY NEW BEGINNING COMES FROM SOME OTHER BEGINNING'S END."
>
> *— Semisonic, "Closing Time"*

After a great beginning more than two decades ago and a long, productive and value-added run, the Spotlight on Service newsletter comes to its end, to make way for a new beginning focused on faster, more concise and relevant communication for a new day.

We launched Spotlight on Service more than 20 years ago, in January 1996, to answer your most pressing customer service questions. We've evolved Spotlight on Service into the professional publication you've been getting month in and month out, covering service topics but also much more. We've appreciated your editorial ideas, questions and feedback along the way.

But, a monthly publication just doesn't seem to keep pace with your need for information in this fast, on-demand world. So, while we're ramping up our blogs, we're winding down Spotlight on Service after this August 2018 issue so we can focus our resources on communications that will serve you better.

Let's keep the conversation going. Along with being more nimble ways to keep you informed, the SHAZAM Blog and In Good Company offer you a chance to join in the conversation, posting your thoughts on the topics we cover.

More concisely, please comment on the blogs and make them a dialogue we can all grow within!

Here's to growth and an informed future together. Can't wait to hear from you.

Steve

Steve Heston is a 24-year veteran of financial services technology. Steve has served in a variety of sales and marketing leadership roles with Fiserv, Metavante / FIS, and Acxiom Corp., among others. At SHAZAM, he's responsible for setting strategies and leading SHAZAM's sales, client engagement, marketing and public relations functions.

Prior to joining SHAZAM, Steve was the chief revenue officer at BancVue / Kasasa in Austin, Texas. He's also the founding principal of The Heston Group, LLC, a strategic consulting firm specializing in strategy, leadership development and recruitment.

FRAUD

UPDATE YOUR CARDHOLDER RECORDS NOW TO PREPARE FOR A BIG FALCON ENHANCEMENT!

You want your cardholders to react quickly when there's possible fraud on their debit cards. With our next FICO® Falcon® fraud management upgrade, they can literally respond within seconds!

Today, we rely on telephone calls between our fraud specialists and your cardholders when a transaction is flagged as potentially fraudulent. After this upgrade, your cardholders will be empowered to resolve fraud alerts on the spot with a simple Yes or No reply to a text message or automated phone call.

Best of all, this upgrade will roll out to our Falcon-enrolled clients at no additional cost.

FALCON USERS: START PREPARING NOW

To take full advantage of this new process, it's important to review your cardholder contact information on file with us now and identify any gaps. We'll need a valid mobile phone number to text the cardholder and a current mailing address to verify the cardholder's identity.

You can make contact updates in a couple of ways:

- SHAZAM Access > Cards tab
- Batch plastics through your core software vendor

FOR MORE INFORMATION

We'll follow up with more details (including a live date) as we get closer to launching this major enhancement.

If you're not yet using our fraud management services powered by Falcon, contact your SHAZAM client executive today to learn more.

WHO YA GONNA CALL? ... SHAZAM!

Ensure you and your cardholders know the right digits to dial

APPROXIMATELY 80 PERCENT OF CALLS INTO SHAZAM'S CLIENT SUPPORT CALL CENTER ARE ANSWERED WITHIN 20 SECONDS. WE KNOW YOU'RE BUSY, SO WE WANT TO KEEP ANSWERING YOUR CALLS AS QUICKLY AS POSSIBLE!

Here are a few guidelines to ensure you and your cardholders are calling the correct SHAZAM telephone numbers.

CARDHOLDER LOST / STOLEN CARDS NUMBER: 800-383-8000
Please don't post our main phone numbers (800-537-5427 or 515-288-2828) on your website or provide them to cardholders for lost / stolen cards or general card questions. Our lost / stolen phone number is 800-383-8000.

FINANCIAL INSTITUTION NUMBER
Your institution can call 800-537-5427 and follow the menu options pictured below. We encourage you to print this quick reference card and place it by your telephones for convenience. It's available for saving and printing in SHAZAM Access > SHAZAM Resource > Quick Reference Cards > SHAZAM > Calling SHAZAM Client Support – Financial Institution.

Financial Institution Quick Reference Card

1 Party's extension or last name
1 — Party's extension
2 — Party's last name

2 Debit cards
1 — Chargeback, adjustment or fraud
2 — Plastics order and transactions
3 — Balancing cardholder activity
4 — SHAZAM case management services
5 — All other card questions

3 Billing, settlement and reports
1 — Merchant-related reports and billing
2 — Switch bill and all other reports

4 Automated clearing house (ACH) questions

5 ATM or merchant-related questions
1 — ATM balancing
2 — All other ATM-related questions
3 — Merchant program or merchant terminal

6 SHAZAM Access technical assistance

7 Core Data Center representative

8 Core support representative

9 Further assistance

0 Repeat menu options

CALLING SHAZAM CLIENT SUPPORT
800-537-5427

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Transform your debit card program with data and powerful insights

Get instant access to information about how your cardholders use their cards with SHAZAM Insight and SHAZAM Insight with Data Select. These valuable reporting tools will unlock the power of your own data to help you manage your debit card program profitably and create powerful change.

SHAZAM INSIGHT

With SHAZAM Insight, you'll generate executive summary reports or detailed reports on demand. These reports contain terminal and transaction information that gives insight into your card programs. You can use this information to run your rewards programs, plan terminal locations and merchant partnerships, find out when your cardholders are seeing denied transactions, and more. For samples of all available reports, see the SHAZAM Insight Reports guide published in SHAZAM Access > SHAZAM Resource > Reports and Files > SHAZAM Insight.

CREATE YOUR OWN CUSTOM REPORTS USING DATA SELECT

SHAZAM Insight with Data Select lets you take SHAZAM reports to new levels. With nearly 50 fields of transaction data from the past 13 months, you can create customized queries that give you an in-depth look into your debit card program.

These data universes are available for your ad hoc reports:

- **ATM Ticket History**
  Provides more than 30 fields of ATM ticket data to help you manage your terminal fleet.

- **Transaction History**
  Offers more than 50 fields of transaction data to help you effectively manage your debit card program.

- **Mobile Alerting Messaging History for SHAZAM® BOLT$™**
  This is actually multiple universes with more than 50 fields, allowing you to pull custom transaction alerting data, card alert registration data and mobile alert messaging data.

While there's a wealth of data available, this tool is flexible to fit your needs and skill level:

- **Are you a data guru who wants to get granular?**
  Create custom queries tailored to your institution. You can set filters; enter date ranges; set up cross tabulations and averages; change headers, page numbering and text formatting; and much more.

- **Are you looking for quick data with just a few clicks?**
  Use our handy set of template reports, including BIN Transaction Summary, ATM Transaction Detail and more. You can also use these templates as a starting point for developing your own custom reports.

CHOOSE YOUR FORMAT, SCHEDULE YOUR DELIVERY

- You can view your information in a pie chart, bar graph, report, data sheet and more.

- Once you've created your reports, save them as comma-separated values (CSV) files, Excel® files or PDF files.

- Schedule your reports to run on demand, on your schedule. Maybe you want your favorite report to run on the first day of each month and come to you by email, automatically. You have that power with SHAZAM Insight with Data Select.

- Data Select also lets you name and save your report settings, so any of your SHAZAM Access users with the Insight Data Select role can easily generate the same reports in the future, either on demand or on a schedule.

PRODUCTS & SERVICES

Transform your debit card program with data and powerful insights

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FOR MORE INFORMATION

- For a full list of data fields, settings and template reports, see the **SHAZAM Insight with Data Select User Guide** published in SHAZAM Access > SHAZAM Resource > Reports and Files > SHAZAM Insight.

- For a detailed list of available reports, see the **SHAZAM Insight and Data Select Reports guide** published in SHAZAM Access > SHAZAM Resource > Reports and Files > SHAZAM Insight.

To learn more about and enroll in SHAZAM Insight with Data Select, contact your SHAZAM client executive.

INDUSTRY AND COMPLIANCE NEWS

Helping you manage risk and operate safely

AGENCIES RELEASE LIST OF DISTRESSED OR UNDERSERVED AREAS FOR POTENTIAL CRA CONSIDERATION

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corp. (FDIC) and the Office of the Comptroller of the Currency (OCC) recently announced the availability of the 2018 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies, where revitalization or stabilization activities are eligible to receive Community Reinvestment Act (CRA) consideration under the community development definition.

Distressed or underserved nonmetropolitan middle-income geographies are designated by the agencies in accordance with their CRA regulations. The criteria for designating these areas are available on the **Federal Financial Institutions Examination Council (FFIEC) website**.

The designations continue to reflect local economic conditions, including unemployment, poverty and population changes. As with past releases, the agencies apply a one-year lag period for geographies that were listed in 2017 but are no longer designated as distressed or underserved in the current release.

Revitalization or stabilization activities in these geographies are eligible to receive CRA consideration under the community development definition for 12 months after publication of the current list.

- **2018 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies**

- **Source information and methodology**

SMALL BUSINESS LENDING OVERSIGHT REFORM ACT

In June, President Donald Trump signed legislation to strengthen the Small Business Administration 7(a) program.

The Small Business 7(a) Lending Oversight Reform Act (H.R. 4743) includes targeted reforms to ensure the program continues safely expanding the reach of lending and credit services to a broader range of borrowers who wouldn't qualify for a conventional loan and enables community financial institutions like yours to more effectively serve local small businesses.

The Small Business 7(a) Lending Oversight Reform Act's intent is to:

- Stabilize 7(a) program funding by allowing the SBA to lift the cap on general business loans by up to 15 percent of the limit if it's determined the cap will be reached, as it was in 2015.

- Strengthen the integrity of all SBA guaranteed lending programs by codifying the SBA Office of Credit Risk Management and Lender Oversight Committee, increasing transparency in the office's budget, and providing guidelines for lender reviews and lender appeals rights.

- Safeguard the 7(a) program from abuse by codifying the SBA's "Credit Elsewhere Test," which requires lenders to fully substantiate and document the reasons a given applicant can't be served with conventional credit.

Read on for more information.

INDUSTRY AND COMPLIANCE NEWS

Helping you manage risk and operate safely

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COMBINING FORCES TO COMBAT ELDER FINANCIAL ABUSE

We frequently publish articles about fighting elder financial abuse, stressing your important role in looking out for your senior cardholders.

Now, the Payment Cards Center of the Federal Reserve Bank of Philadelphia has posted a paper aimed at helping consumers prepare for the financial pitfalls of aging, titled "**Combining Forces to Combat Elder Financial Victimization**."

The paper offers seven steps that older consumers can take to prepare themselves, and six questions they can ask you to determine your preparedness to detect signs of diminished financial capacity, elder fraud and financial abuse.

Seven steps for consumers to ensure financial preparedness

1. Assign trusted contacts to all financial accounts.

2. Prepare a durable financial power of attorney.

3. Prepare a will.

4. Keep up on the latest scams.

5. Monitor your credit and identity.

6. Consider hiring a money manager.

7. Consider purchasing financial account monitoring services.

Six questions for consumers to ask financial institutions

1. How much and what type of training does your staff receive to recognize and react to signs of diminished financial capacity, elder financial fraud and exploitation?

2. What monitoring systems or technology do you use to detect unusual transactions?

3. What tools do you make available to accountholders and financial caregivers to enable us to help detect suspicious account activity?

4. Do you have an emergency contact form and policies governing when an employee should reach out to the person listed on the form? If so, what is the policy?

5. Do you have policies in place to prevent an agent under a power of attorney from abusing his or her access to my finances?

6. If someone in your organization suspects financial abuse, will they report it to local law enforcement and adult protective services?

This paper is an interesting and important resource. **Read on for more detail** about these steps and preparation questions.

Combining forces with your elderly cardholders to help them avoid financial victimization may be the most valuable customer service you offer.

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INDUSTRY AND COMPLIANCE NEWS

Helping you manage risk and operate safely

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PROTECTING TENANTS AT FORECLOSURE ACT

While the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 relieved financial institutions of many burdensome requirements, it revived the **Protecting Tenants at Foreclosure Act of 2009 (PTFA)**.

Originally, the PTFA included a sunset provision that caused it to expire on Dec. 31, 2014. *It became effective again on June 23, 2018*. Congress didn't introduce any new requirements; they simply repealed the sunset provision, leaving the rest of the PTFA intact. Under the PTFA, the new owner at foreclosure must give bona fide tenants at least 90 days' notice prior to eviction.

The PTFA also allows bona fide tenants with leases to occupy property until the end of their lease term. If the property is sold to a purchaser who will occupy the property, the purchaser may terminate the lease upon 90 days' notice.

A bona fide lease or tenancy is one where:

- The mortgagor or the child, spouse or parent of the mortgagor under the contract isn't the tenant.

- The lease or tenancy was the product of an arm's-length transaction. (Both parties are acting in their own self-interest and aren't subject to any pressure or duress from the other party, and there's no collusion.)

- The lease or tenancy requires the receipt of rent that isn't substantially less than fair-market rent for the property, or the unit's rent is reduced or subsidized due to a federal, state or local subsidy.

If the tenant isn't a bona fide tenant, the provisions of the PTFA don't apply.

FS-ISAC REPORT: NEW BANKING TROJANS EMERGE

A recent **report** by the Financial Services Information Sharing and Analysis Center (FS-ISAC) covers two new banking Trojans that have debuted at non-U.S. institutions. History and experience show that it's likely only a matter of time before they are reprogrammed to target U.S. customers. Being aware now may mean your institution can prepare to prevent these malicious attacks.

The first is the BackSwap Trojan, which determines when a financial transfer is being performed on an internet banking site and then intercepts the transfer to steal the funds.

The second is the MnuBot Trojan, which uses a two-stage attack flow to give the attacker full control over a victim's machine.

Risk to financial institutions

- Banking Trojans that run on an institution's internal systems may provide more than simply access to an employee's online banking account. If the employee reuses his or her network password on the online banking site, or if the employee performs wire transfers, Trojans may be used to infiltrate corporate networks and steal institutional funds.

- Banking Trojans that run on an accountholder's computer may allow the theft of his or her funds from banking accounts. While the institution may not be directly responsible, a community financial institution's ability and willingness to help accountholders will likely have a reputational impact.

INDUSTRY AND COMPLIANCE NEWS

Helping you manage risk and operate safely

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Preventing and preparing

Ongoing security awareness training can directly affect the likelihood of employees or accountholders falling for malicious phishing emails.

Check out the SHAZAM Power Marketing fraud materials at **shazampowermarketing.net** > Fraud. In particular, the "Top 5 online scams" materials address the danger of phishing emails. Take advantage of SHAZAM's professionally prepared marketing packages to educate your account-holders. Many of the materials are available for free.

Another strategy to consider is implementing endpoint protections on your workstations and servers. This includes whitelisting applications that can execute JavaScript and whitelisting websites that can automatically run JavaScript. While this can be labor-intensive to configure, protecting your institution from malicious programs running undetected may be well worth the trouble.

ONLINE LENDERS LEAVE NEGATIVE IMPRESSION

A Federal Reserve report released in June found that small-business owners often have a negative impression of online lenders.

According to the report, titled "**Browsing to Borrow: 'Mom & Pop' Small Business Perspectives on Online Lenders**," study participants generally reacted favorably to online lender websites with detailed product information and were skeptical of those that withheld details.

When presented with sample online products, participants generally found the descriptions difficult to understand or lacking detail about costs and features. The findings suggest that improved disclosures could benefit both parties by helping borrowers better evaluate products and helping lenders create trust and expand their customer base.

The study comes on the heels of **Fed reports** released in recent years that found small-business credit applicants were more satisfied with community institutions than with any other type of lender.

Apparently, relationships still matter to small-business owners when it comes to credit and lending. Good news for community financial institutions!
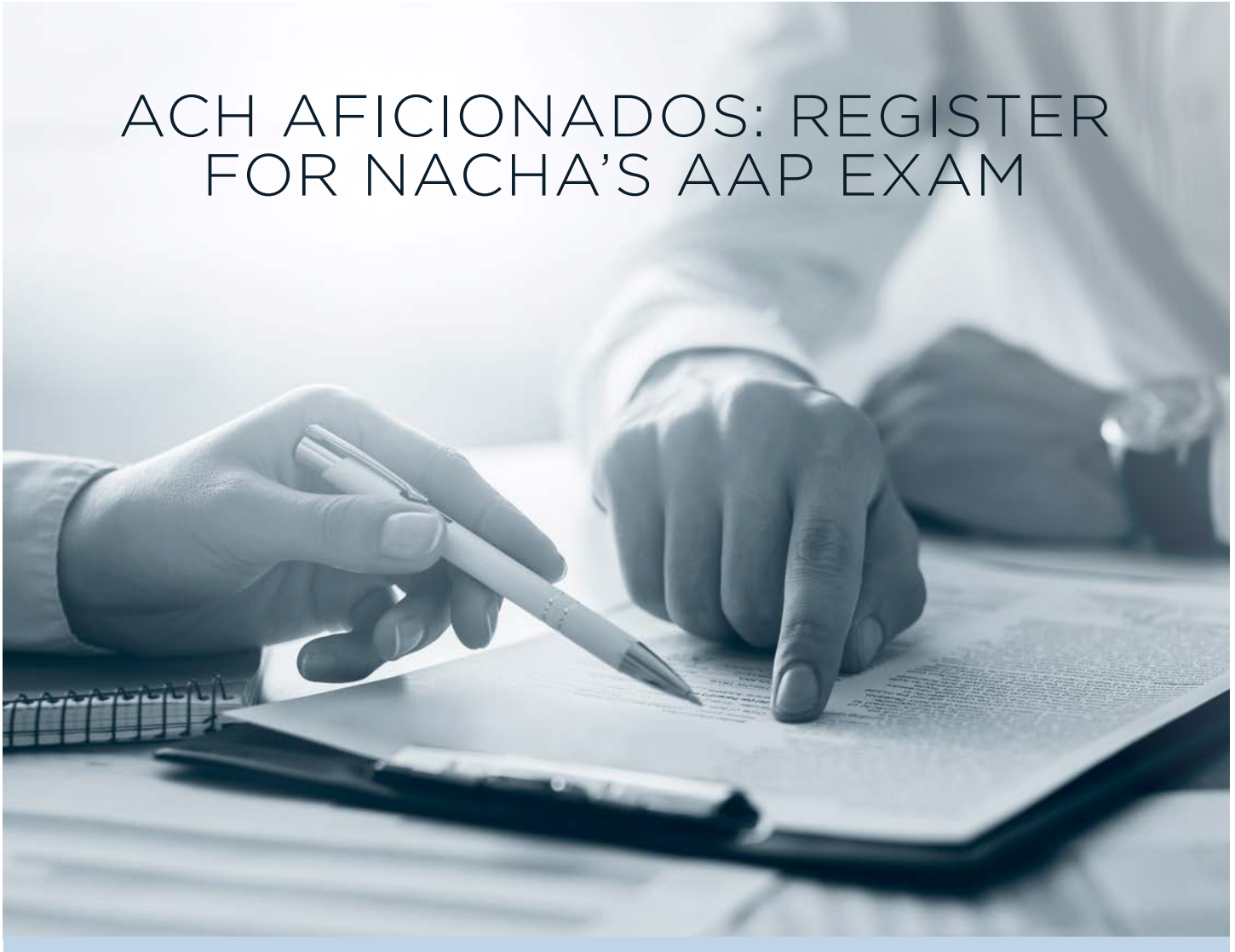
Are you aiming for small businesses? SHAZAM Power Marketing offers a business debit marketing package at **shazampowermarketing.net** > Commercial > Business Debit.

We also offer consultation and design for custom marketing campaigns to support the other business products and services you offer — from lending and treasury management to small-business deposits and HSAs. Tell us about your marketing needs at **shazampowermarketing.net** > Marketing Services.

ACH AFICIONADOS: REGISTER FOR NACHA'S AAP EXAM

Regular registration ends Sept. 14 for the NACHA — The Electronic Payment Association® 2018 Accredited ACH Professional (AAP) exam. Late registration is available at an additional cost from Sept. 15 to Oct. 1.

This year's exam window is Oct. 8 – 27 at a **PSI testing center near you**. Be sure to register soon to confirm your chosen test date and time.

Visit the **NACHA website** to find:

- The benefits of accreditation
- Fee and registration information
- How to prepare for the exam

WHAT'S AN AAP?

According to NACHA, AAPs have:

- A comprehensive knowledge of all areas of ACH
- A deep understanding of and experience in one or more specific ACH subjects
- A broad knowledge of concepts that relate to the payments system as a whole

UPCOMING TRAINING

SEPTEMBER

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2	3	4	5	**6**	7	8
9	10	11	**12**	13	14	15
16	17	**18**	19	20	21	22
23	24	25	**26**	27	28	29
30						

SHAZAM Settlement Process and Reports webinar

Sept. 6: 9:30 – 11:30 a.m. CT
Sept. 18: 1:30 – 3:30 p.m. CT

The settlement process is an important part of your ATM or debit card program. This webinar will give you insights on how the process works and how to manage it effectively. You'll also learn how settlement affects your institution and why you receive daily reports from SHAZAM.

SHAZAM Debit Card Fraud and Chargebacks regional seminar

Sept. 12: St. Charles, Missouri
Sept. 26: Little Rock, Arkansas

Learn everything you need to know about debit card fraud, disputes and chargebacks. The topics covered include fraud trends; risk management tools; fraud reporting; and the complete chargeback cycle, including retrieval requests, chargeback reasons, financial institution and merchant responsibilities, and documentation.

> For more details on training events,
> visit SHAZAM Access >
> **Training Services**.

LEARN ABOUT FRAUD PREVENTION WITH EMV IN FREE WEBINAR AUG. 8

Mark your calendar for **Wednesday, Aug. 8, from 10 a.m. to 11 a.m. CT**, when our fraud operations team will host its biannual SHAZAM *on*Fraud webinar, "Fraud Prevention and EMV® — 2018 Update."

Join us to discuss the following topics:

• Effective chip card issuance

• How chip cards can help reduce fraud losses

• FICO® Falcon® rules we've created to prevent fraud

• Ways to reduce your liability

Starting Aug. 3, you can download the presentation slides from SHAZAM Access > Fraud Watch > **SHAZAM *on*Fraud**. Until then, start thinking of questions you may want to ask! We'll leave time at the end to answer as many questions as we can.

Sign up today!
We sent an email invitation with a sign-up link in mid-July, but **registration is still open for the webinar**. We hope you can attend!

Can't make it on Aug. 8?
Don't worry; we'll record the live event! The webinar will be archived — along with all of our past *on*Fraud webinars — in SHAZAM Access > Fraud Watch > **SHAZAM *on*Fraud** around Aug. 17.

Questions?
Call SHAZAM fraud operations at 800-537-5427, ext. 2899.

DEBIT REWARDS

'LUXURY REWARDS' DEBIT REWARDS WINNERS

Congratulations to **Madelyn R. of Wisconsin Rapids, Wisconsin**. Madelyn won a $500 SHAZAM gift card in the "Luxury Rewards" Debit Rewards campaign, which ran April – June 2018. Madelyn is a member of **Members Advantage Credit Union in Wisconsin Rapids, Wisconsin**.

We'd also like to congratulate our June monthly winners listed at right, who each received a $50 "luxury" gift card.

JUNE winners

- **George G.** of Elmendorf, Texas
  (The Falls City National Bank; Falls City, Texas)

- **Robert G.** of Granton, Wisconsin
  (Partners Bank of Wisconsin; Spencer, Wisconsin)

- **Alicia O.** of Danville, Arkansas
  (Chambers Bank; Danville, Arkansas)

- **Austin M.** of Paris, Illinois
  (Longview Bank & Trust; Chrisman, Illinois)

- **Robert Y.** of Newport, Arkansas
  (Merchants & Planters Bank; Newport, Arkansas)

- **Jesse R.** of Ruthven, Iowa
  (Iowa State Bank; Algona, Iowa)

- **Michael M.** of Dixon, Illinois
  (First National Bank in Amboy; Amboy, Illinois)

- **Sidney S.** of Columbus, Wisconsin
  (Farmers & Merchants Union Bank; Columbus, Wisconsin)

FAREWELL

Thank you for your loyal readership of Spotlight on Service. We hope it has served you well over the years! Please keep in touch by reading and sharing your thoughts on the new **SHAZAM blogs**. And as always, we welcome your communication questions and comments via email at **corporatecommunications@shazam.net**.

ABOUT THE NEWSLETTER

For more than 20 years, the Spotlight on Service newsletter — winner of 15 awards of publication excellence — has provided SHAZAM clients with information on the financial services industry. It's not a definitive analysis of the subjects discussed and is not an alternative to the requirements of any regulatory agency.

WINNER

APEX®
AWARDS FOR
PUBLICATION EXCELLENCE

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