

# Electronic Payments Forum News

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## Electronic Payments Forum

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May 31st 2009

### Center for Consumer Freedom: Center for 'Responsible' Lending Statistics on Short-Term Payday Loans Miss the Mark

Center for Consumer Freedom: Center for 'Responsible' Lending Statistics on Short-Term Payday Loans Miss the Mark

Front Group For Financial Conglomerate Continues To Unfairly Maliciously Competitors

The Center for Responsible Lending (CRL) issued a misleading press release on short-term payday lending practices that failed to acknowledge the pitfalls of proposed legislation to cap consumer loans at 36%. Reports from researchers at the Federal Reserve of New York, current FDIC chairwoman Sheila Bair, and economists at major universities show that this proposed cap would leave low-income borrowers with fewer and less desirable options when in need of emergency cash.

"Here we go again. The Center for Responsible Lending uses scary voodoo numbers like 400% interest that have no basis in reality to try to score a cheap political point," said Tim Miller, communications director at the Center for Consumer Freedom. "It is intellectually dishonest to claim a \$15 fee on a \$100 loan 400% interest. It is even more brazen to make that claim when the legislation CRL references would make it illegal for borrowers to roll loans over enough times to even approach that percentage. What CRL doesn't tell you is that their own 2007 study showed that short-term payday lenders received 16.4% interest on their loans."

"This shouldn't be surprising from an organization that was founded by subprime lending billionaires who invented so-called "Pick-a-Payment" adjustable rate mortgages. CRL is currently the advocacy arm of a billion-dollar financial network that is a direct competitor of the short-term loan industry, and which charges its customers fees for services that cost more than the loans themselves."



**Association Links**

[www.atmia.com](http://www.atmia.com)

[www.efta.org](http://www.efta.org)

**Media Links**

[www.atmmarketplace.com](http://www.atmmarketplace.com)

[www.americanbanker.com](http://www.americanbanker.com)

[www.cardforum.com](http://www.cardforum.com)

**Resources**



than short-term payday loans."

**How CRL Uses Misleading Statistics About Short-Term Payday Loans**

CRL claims that short-term payday loans have 400 percent interest rate. The CRL continues to claim that short-term payday loans carry annualized percentage rates of 400%. The typical fee on a two-week short-term payday loan is \$15 for every \$100 borrowed, or 15%. A borrower would have to roll their loan over 26 times to actually owe 400% interest, something which would be impossible under federal legislation that CRL hypocritically opposes.

Data in CRL's own report disproves misleading statistic. A report released by CRL exposes the fallacy of 400% interest. In its 2007 report titled "Springing The Debt Trap," CRL said, "in 2005, short-term payday lenders made over \$28 billion in loans and collected approximately \$4 billion in fees from borrowers." Simple math shows that short-term payday lenders' fees totaled 16.4% of the loans they extended, nowhere close to the exaggerated 400% figure CRL repeats elsewhere.

Proposed 36% cap will cut off a critical financial option. The CRL is mistaken in its claim that consumers will benefit from Illinois Sen. Dick Durbin and California Rep. Jackie Speier's bills to cap short-term payday loans at 36% APR. Such a cap may seem reasonable for a loan of 12 to 18 months. But for short-term loans, a 36% annual cap equals a \$1.38 fee on a two-week \$100 loan. This is an unsustainable business model that will drive short-term lenders out of business, eliminating a vital financial option for Americans struggling to get by. A staff report from the Federal Reserve Bank of New York found that banning short-term payday loans left borrowers worse off, forced to choose from more expensive options.

CRL Is A Front For Self Help, A Financial Network Of Credit Unions And Lending Groups And A Direct Competitor To Short-Term Payday Lenders:

CRL functions as a front for Self Help, a financial network that charges excessive fees for services that can cost far more than a short-term payday loan. Although the CRL bills itself as a "nonprofit, nonpartisan research and policy organization," the center functions as the lobbying arm of the billion-dollar Self Help financial network. CRL claims that short-term payday lenders charge excessive fees, even though Self Help lenders charge their low-income customers fees for services that can cost far more than a short-term payday loan.

A 2007 New York Federal Reserve staff report found that short-term payday lending was actually better for consumers than large fees charged by groups like Self Help. In November 2007, economists at the Federal Reserve Bank of New York released an analysis of the effect of North Carolina's short-term payday loan ban; their findings show the ban significantly harmed consumers. The research also found that short-term

payday loans were a better option for consumers than the expensive overdraft and non-sufficient funds fees charged by banks and credit unions such as Self Help, CRL's primary sponsor.

CRL's founders made billions from subprime lending that contributed to the current economic crisis. CRL's founders and most prominent funders Herb and Marion Sandler, made their fortune at subprime lender Golden West Financial. The duo pioneered one of the worst types of subprime loans, known as "Pick-a-Payment" or option-ARM loans. The Sandlers pocketed \$2.3 billion when they sold their company to Wachovia in 2006. Golden West's toxic loan portfolio collapsed two years later, causing an estimated \$36 billion in losses for Wachovia. The U.S. Department of Justice and the Securities and Exchange Commission are currently investigating Golden West Financial for predatory lending and fraudulent representation to investors.

The Center for Consumer Freedom is a nonprofit organization devoted to promoting personal responsibility and protecting consumer choices.

SOURCE Center for Consumer Freedom

A. Lyle Elias  
ATMIA Founding Director

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## ATM & POS NEWS

### ATM

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- [Regulatory Update](#)

### POS

- [Hypercom Expands High Security Product Portfolio in Germany](#)
- [Blue Bamboo Selects KORE Telematics for Wireless POS](#)

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## CARD TALK

### Credit & Debit

- [A Look at Details in The Credit CARD Act of 2009](#)
- [American Express, Discover Top Credit Card Provider Rankings](#)

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## FINANCIAL NEWS

- [Small Business Economic Confidence Drops Sharply in May](#)
- [Survey Uncovers the True Extent of Economic Crisis on Customer Relationships with Banks](#)
- [Citibank Thanks Winning Customers A Million Times Over](#)
- [MoneyGram International Announces Major Expansion of Money Transfer Services in India](#)

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## INTEGRATED PAYMENTS

### Online Payments

- [Western Union Offers Customer Option to Receive Funds via Online Banking](#)

### Mobile

- [Mobile Banking Hits Mainstream in 2009 Says TowerGroup](#)
- [Gartner Says Number of Mobile Payment Users Worldwide to Increase 70 Percent in 2009](#)
- [Mocapay Launches Mobile Gift Application for iPhone](#)

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## EFT SECURITY

- [Voltage Security Introduces Data Breach Index](#)
- [ID Insight, Patria Services Launch MoveManager](#)

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## ATMIA & EFTA

agreement has been signed to form an alliance between ATMIA and EFTA which will include making EFTA regulatory updates being made available to ATMIA members as well as opportunities for joint lobbying at the highest governmental level. It was thought that this collaboration would add value to the GRC's existing regulatory monitoring.

The following was the most recent EFTA legislative alert, including details of credit card reform legislation being discussed by the US administration:

to: EFTA Members

from: Dennis Ambach, Legislative & Regulatory Council Chairman

to: Robert Helwig, President & CEO

date: May 15, 2009

subject: Legislative Alert

Credit card reform legislation was debated all week on the Floor of the U.S. Senate. The Senate expects to complete action by Tuesday or Wednesday of next week. As you probably know, President Obama is asking Congress to send him a bill that he can sign into law before Memorial Day. The House and Senate will be challenged to reconcile differences between the two measures by the end of next week.

Senate's credit card reform bill remains a work in progress even at this writing. Senators have filed more than 60 amendments, but only a few have seen any real debate and votes. The Senate defeated an amendment offered by Sen. David Vitter (R-LA) that sought additional "know your customer" rulemaking to prevent illegal aliens from receiving credit cards. On procedural grounds, the Senate voted down a proposal by Sen. Bernie Sanders (I-VT) to institute a national usury rate cap of 15 percent.

Senate Banking Committee Chairman Chris Dodd (D-CT) and the ranking member, Sen. Richard Shelby (R-AL), will work over the next several days to accept, reject or modify many amendments prior to resuming Floor consideration. EFTA is monitoring progress on the following important issues:

Language affecting open-loop prepaid cards remains in the bill. As you know, EFTA penned a letter to the Senate in opposition to the prepaid card amendment (<http://www.efta.org/currentissues/5-07-09DoddLetter%20wol.pdf>). Sen. Charles Schumer (D-NY), the amendment's author, supported some minor modifications. However, it remains largely unacceptable to those in the open-loop prepaid card industry. Opponents continue to negotiate with Sen. Schumer, his staff and the Banking Committee staff.

In respect to interchange, the current Senate bill calls for a Government Accountability Office (GAO) study. Sens. Richard Durbin (D-IL) and Christopher Bond (R-MO) filed an amendment (#1100) that would effectively end interchange pricing associated with debit cards. Chairman Dodd expressed sympathy for the Durbin/Bond amendment but wants to address interchange as a separate issue after the GAO report has been conducted.

Sen. Dianne Feinstein (D-CA) and Sen. Judd Gregg (R-NH) filed amendment (#1080) to ask the Federal Trade Commission (FTC) to require reverse PIN technology for ATMs. The purpose of the technology is to alert law enforcement that a criminal act is taking place during a transaction at the ATM. The patent owner of this technology has attempted to get state legislatures to adopt laws requiring ATMs to have this capability (Illinois actually did pass a law a few years but repealed it before it took effect). In a letter (see below), EFTA requested Sen. Feinstein to modify her amendment by adding the Federal Reserve Board to study the issue with the FTC.

On the ATM front, Sen. Tom Udall (D-NM) has an amendment (#1098) to require more conspicuous disclosure of all ATM-related fees on monthly bank statements. It is unclear whether this amendment will be offered or accepted.

In our previous update, we mentioned a recent Senate Homeland Security Committee hearing on U.S. border issues with Mexico (drug trafficking and kidnapping to name a few) where prepaid cards and money laundering were also cited as a major concern. Committee Chairman Joe Lieberman (I-CT) and ranking member Susan Collins (R-ME) are offering an amendment (#1107) that seeks to treat prepaid cards as cash as a monetary instrument. The implications of this amendment are still under review. We will keep you apprised of any changes.

If Congress adheres to President Obama's Memorial Day deadline for a final credit card bill, it is difficult to predict the contents of the final work product. As you may recall, the House bill does not vary greatly from the FRB rules taking effect next July. The Senate bill is stronger from a reform perspective and continues to be a moving target. In the haste to get an agreement by Memorial Day, we do not hope against waste."

[Go back](#)

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## Regulatory Update

### NEW YORK A.B. 8439 - ATM DUE DILIGENCE (GENERAL), ATM FEES/NOTIFICATION/DISCLOSURE

**Sponsor:** Assembly member Darryl Towns (D)

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**Summary:** Establishes a rating system to be posted on automated teller machines that will allow consumers to ascertain the cost of a withdrawal according to the lettered designation. <http://www.assembly.state.ny.us/leg/?bn=A08439&sh=t>

**Status:** Introduced and referred to Assembly Banks Committee May 20, 2009.

**Notes:** The sponsor is a member of the majority party and is Chair of the committee of referral. This bill has majority sponsored companion legislation. Majority sponsored companion legislation is considered important to moving bills through the legislative process.

**Companion Bill:** 2009 S.B. 5433

**Emergency Reverse PIN line & Camera Surveillance** Mike K reported that this bill would require a dedicated 911 emergency line based on the reversal emergency PIN. He said we are fighting this one hard. Mike L mentioned ATMIA already had a position paper criticizing the id 911 reverse PIN program.

### Week in the States

Following state legislatures are actively meeting this week: **ARIZONA, CALIFORNIA, CONNECTICUT, ILLINOIS, LOUISIANA, MAINE, MASSACHUSETTS, MICHIGAN, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEWJERSEY, NEW YORK, NORTH CAROLINA, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, RHODE ISLAND, TENNESSEE, TEXAS** and **WISCONSIN**

For the most current information on Governors, Partisan Splits and the 2009 Legislative Sessions, go to:

<http://www.stateside.com/thefiftystates/index.shtml>

### DOUPS

National Conference of State Legislatures will hold its Spring Executive Meeting May 28- 30 in Raleigh, North Carolina. [Michael Behm at @stateside.com](mailto:Michael.Behm@stateside.com)

Republican Attorneys General Association will hold its Summer National Meeting May 31- June 2 in Williamsburg, Virginia. [Connie Papanella at cc@stateside.com](mailto:Connie.Papanella@stateside.com)

### CALIFORNIA

Senate Appropriations Committee will meet May 26 to discuss S.B. 195, which requires a postsecondary educational institution to provide assurance that each program and activity conducted by the institution will be conducted in compliance with applicable provisions of federal law prohibiting discrimination on the basis of sex. [Megan Stokes at mem@stateside.com](mailto:Megan.Stokes@stateside.com)

Senate Appropriations Committee will meet May 26 to discuss S.B. 17, which requires the Public Utilities Commission to determine the requirements for a smart grid deployment plan. [Anastasia Feaster at arf@stateside.com](mailto:Anastasia.Feaster@stateside.com)

Assembly Appropriations Committee will meet May 28 to discuss A.B. 1028, which provides for a tax exemption on renewable energy programs. [Sarah Mysiewicz at sem@stateside.com](mailto:Sarah.Mysiewicz@stateside.com)

State Water Resources Board will meet May 29 to discuss the final draft of the Urban Water Conservation Plan. [Melissa Farmer at @stateside.com](mailto:Melissa.Farmer@stateside.com)

### MAINE

Joint Finance Committee will meet for a budget markup session May 26-28. [Max Behlke at @stateside.com](mailto:Max.Behlke@stateside.com)

### FLORIDA

Southwest Florida Water Management District will accept comments until May 29 on draft amendments to rules concerning water use per

*Carly Lukaesko at [bml@stateside.com](mailto:bml@stateside.com)*

## ILLINOIS

House Environment and Energy Committee will meet May 27 to discuss S.J.R. 36, which urges the General Assembly to consider environmental issues when crafting a capital construction bill. *Thomas Doyle at [ted@stateside.com](mailto:ted@stateside.com)*

## LOUISIANA

House Committee on Administration of Criminal Justice will hold a hearing May 27 on H.B. 29, which creates the crime of making unnecessary and excessive noise in a quiet zone. *Alison Gary at [akg@stateside.com](mailto:akg@stateside.com)*

House Governmental Affairs Committee will meet May 27 to discuss H.B. 762, which provides for an exception to the public records law for information and documents held by district attorneys, sheriffs, police departments or other law enforcement agencies which pertain to an internal investigation of a law enforcement officer. *Andrew Linhardt at [anl@stateside.com](mailto:anl@stateside.com)*

## MASSACHUSETTS

Joint Committee on Municipalities and Regional Government will meet May 26 to discuss S.B. 783, which establishes the Community Zoning Act to enhance and modernize the regulatory tools for municipal zoning, subdivision control and planning to guide local growth. *Carly Simpson at [cf@stateside.com](mailto:cf@stateside.com)*

Joint Committee on Financial Services will meet May 27 to discuss H.B. 887, which authorizes collection agencies to accept assignments of debts and bring suit as the party seeking damages, except when agreements with debtors prohibit such action. *Andrew Linhardt at [anl@stateside.com](mailto:anl@stateside.com)*

## MICHIGAN

House Intergovernmental and Regional Affairs Committee will meet May 26 to hear a presentation from the Michigan State University Land Use Institute regarding transit coordination and land use. *Jessica Hart at [jwh@stateside.com](mailto:jwh@stateside.com)*

## MISSOURI

Legislature is scheduled to adjourn sine die May 30. *Carly Simpson at [cms@stateside.com](mailto:cms@stateside.com)*

## NEBRASKA

Executive Board will meet May 26 to discuss L.R. 224, which creates the Budget Reform Task Force. *Anastasia Feaster at [arf@stateside.com](mailto:arf@stateside.com)*

## NEW YORK

Senate Codes Committee will meet May 26 to discuss S.B. 2068, which requires homeimprovement contractors to be licensed by any municipality in which work is performed. *Jarrod Bottomley at [jdb@stateside.com](mailto:jdb@stateside.com)*

Senate Health Committee will hold a hearing May 26 on S.B. 3117, which establishes mandatory minimum Medicaid coverage for hospital confinement for childbirth. *Max Behlke at [mrb@stateside.com](mailto:mrb@stateside.com)*

Senate Codes Committee will hold a hearing May 27 to discuss S.B. 47, which prohibits credit card issuers from increasing interest rates or imposing fees upon accounts of holders based on indebtedness or late payments to other creditors. *Shawn Swearingen at [sjs@stateside.com](mailto:sjs@stateside.com)*

## NORTH CAROLINA

Senate Judiciary II Committee will hold a hearing May 26 to discuss H.B. 686, which revises notice requirements for protections for telephone subscribers who wish to stop unwanted telephone solicitations and for consumers who enter into transactions. *Shawn Swearingen at [sjs@stateside.com](mailto:sjs@stateside.com)*

House Health Committee will hold a public hearing May 26 on H.B. 1402, which establishes the Cover North Carolina Health Care Access Program for uninsured individuals and their dependents. *Carly Simpson at [cms@stateside.com](mailto:cms@stateside.com)*

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House Committee on Wildlife Resources will hold a public hearing May 27 to discuss S.B. 43, which provides that no person shall operate a motor vehicle with 10 horsepower or more without completing a course in boater safety education. [John Grant at jhg@stateside.com](mailto:jhg@stateside.com)

House Committee on Finance will hold a public hearing May 27 to discuss S.B. 584, which amends provisions relating to the licensure of individuals providing private protective services. [John Grant at jhg@stateside.com](mailto:jhg@stateside.com)

## IO

House Agriculture and Natural Resources Committee will meet May 27 to discuss H.B. 124, which establishes licensing requirements and standards of care for certain dog breeding kennels, dog intermediaries and animal rescues for dogs. [Sarah Mysiewicz at sem@stateside.com](mailto:sem@stateside.com)

## LAHOMA

Legislature is scheduled to adjourn sine die May 29. [Max Behlke at mrb@stateside.com](mailto:mrb@stateside.com)

## EGON

Senate Judiciary Committee will hold a public hearing and work session May 26 on H.B. 2604, which requires covered entities to report annually on system safeguards for protecting confidentiality of individually identifiable health information. [Shawn Swearingen at swearingen@stateside.com](mailto:swearingen@stateside.com)

Senate Health Care and Veterans' Affairs Committee will meet May 26 to discuss H.B. 2589, which requires health benefit plans to provide specified coverage for hearing aids to enrollees under 18 years of age. [Sean Lansing at srl@stateside.com](mailto:srl@stateside.com)

Joint Ways and Means Committee's Subcommittee on Natural Resources will meet May 26 to hear H.B. 2223, which increases the boat use fees to \$125 for residents and \$350 for non residents. [Peter Rankin at pcr@stateside.com](mailto:pcr@stateside.com)

## ODE ISLAND

House Finance Committee will meet May 26 to discuss H.B. 5782, which defines the meaning of a manufactured biodiesel fuel with regard to state motor fuel tax. [Thomas Doyle at ted@stateside.com](mailto:ted@stateside.com)

## NESSEE

Division of Medical Services will hold a public hearing May 27 to discuss proposed amendments to its Medicaid rules, including updates to coverage of the categorically needy. [David Kennedy at dak@stateside.com](mailto:dak@stateside.com)

Senate Judiciary Committee will meet May 27 to discuss S.B. 812, which requires applicants to possess at least two years experience in law enforcement and pass a state examination to be licensed as a private investigator. [Craig Orlan at cso@stateside.com](mailto:cso@stateside.com)

## KAS

Health and Human Services Commission will hold a public hearing May 27 to discuss a proposed amendment to the reimbursement methodology for the Home and Community-based Services waiver program. [Robert Axelrod at ra@stateside.com](mailto:ra@stateside.com)

## SHINGTON

Department of Ecology's Rule Advisory Committee will meet May 29 to continue the discussions on the development of a Greenhouse Gas Reporting Rule. [Bonnie Kaufman at brk@stateside.com](mailto:brk@stateside.com)

## CONSIN

Assembly Committee on Jobs, the Economy and Small Business will hold an executive session May 26 to discuss A.B. 205, which extends the eligibility for the deduction for energy efficient commercial buildings to property placed in service no later than December 31, 2013. [John Grant at jgr@stateside.com](mailto:jgr@stateside.com)

Assembly Committee on Criminal Justice will hold a public hearing May 28 to discuss A.B. 241, which provides for revisions in the law relating to retail theft and requires a person selling certain merchandise at a flea market or similar facility to have proof that the

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on owns the merchandise. [John Grant at jhg@stateside.com](mailto:jhg@stateside.com)

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## Hypercom Expands High Security Product Portfolio in Germany

### Optimum Terminals Achieve ZKA Approval

TTSDALE, Ariz. & BAD HERSFELD, Germany--(BUSINESS WIRE)--Hypercom Corporation (NYSE: [HYC](#) - [News](#)) today announced that its 2-bit multi-application Optimum T4200 and M4200 countertop and mobile transaction terminals are officially approved as compliant with the latest EMV POS terminal specification from the Central Credit Committee (Zentraler Kreditausschuss – ZKA) in Germany. The approval covers Optimum T4200 terminals with options for ISDN, IP and GPRS connectivity, as well as the M4240 Bluetooth and M4230 GPRS mobile terminals, all with integrated smart card readers. With ZKA approval, Hypercom strengthens its position as a leading provider of payment and digital transaction solutions to the German market.

The Central Credit Committee's approval allows the large scale deployment of our highly popular Optimum product range," said Christian Jürs, President of Sales, Hypercom Germany. "With the addition of these terminals we give customers more of a choice and more options with flexible high security solutions that can be deployed in any end user scenario regardless of communications needs."

The Optimum countertop and mobile series has received PCI PED security approval, MasterCard Worldwide Payment Terminal Security approval for wired and wireless communication, and EMV Level 1 & 2 certifications for chip card transactions. All models share the same platform, user interface and software toolkit to maximize efficiency, application portability and offer customers a broad range of options to serve any market. Additionally, Hypercom's Artema software now runs on the Optimum T4200 and M4200 family of terminals.

For further information please visit <http://www.hypercom.com/products>.

### Technical Appendix

In 2006, the Central Credit Committee, which is a confederation of German credit associations, endorsed the introduction of the international EMV card standard in Germany, including the local Electronic Cash application. As a result, terminals used for Electronic Cash transactions must be certified against the Technical Appendix specifications (currently TA 7.0), following a wide range of security evaluations and functional tests.

### About Hypercom ([www.hypercom.com](http://www.hypercom.com))

Global payment technology leader Hypercom Corporation delivers a full suite of high security, end-to-end electronic payment products and services. The Company's solutions address the high security electronic transaction needs of banks and other financial institutions, processors, large retailers, smaller merchants, quick service restaurants, and users in the transportation, petroleum, healthcare, prepaid, unattended and many other markets. Hypercom solutions enable businesses in more than 100 countries to securely expand their revenues and profits. Hypercom is a leading member of the Secure POS Vendor Alliance (SPVA) and is the second largest provider of electronic payment solutions and services in Western Europe and third largest provider globally.

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...: industry, competitive and technological changes; the loss of, and failure to replace any significant customers; the composition, timing and volume of orders from and shipments to major customers; inventory obsolescence; market acceptance of new products and services; compliance with industry standards, certifications and government regulations; the performance of suppliers, contract manufacturers and subcontractors; the ability to successfully integrate the technologies, operations and personnel of acquired businesses in a timely manner; the ability to obtain the expected strategic and financial benefits from acquisitions; risks associated with international operations and foreign currency fluctuations, the state of the domestic and global economies in general and other risks detailed in our filings with the Securities and Exchange Commission, including the company's most recent 10-K and subsequent 10-Qs and 8-Ks. Forward-looking statements speak only as of the date made and are not guaranteed to reflect future performance. We undertake no obligation to publicly update or revise any forward-looking statements. HYCP

**Contact:**

Hypercom Corporation  
1 Schuddekopf, 480-642-5383  
[schuddekopf@hypercom.com](mailto:schuddekopf@hypercom.com)

Hypercom Northern Europe  
Markus Scheffler, +49 6621 84611  
[scheffler@hypercom.com](mailto:scheffler@hypercom.com)

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### **Look at Details in The Credit CARD Act of 2009**

In addition to the major provisions affecting credit card issuers and their practices, [The Credit CARD Act of 2009](#) contains a number of other provisions that will affect various aspects of the payment card industry. We've covered several of them in accompanying posts today - including

- New limits on issuers of gift cards and prepaid cards with respect to dormancy fees and expiration dates
- Treasury review of stored value cards in context of the Bank Secrecy Act
- Federal Reserve review of the last three years of credit card issuer practices with respect to lowering credit lines available on credit cards and increasing interest rates
- GAO study required of US card interchange fees

In addition, there are several other provisions including:

- Board review of small business credit plans and recommendations
- Small business information security task force
- Study and report on emergency pin technology
- Study and report on the marketing of products with credit offers
- Financial and economic literacy

### **The Credit CARD Act Requires Limits, Disclosures on Gift, Prepaid Cards**

Section IV of [The Credit CARD Act of 2009](#) imposes limits on issuers of gift cards and prepaid cards with respect to dormancy fees and expiration dates to become effective within 15 months. Dormancy fees can't be charged unless fully disclosed and only after a one year period of dormancy. Expiration dates cannot be less than five years from either the original date of purchase or from the date of the most recent reload to the card and must also be fully disclosed to the purchaser. The Act requires that the Federal Reserve within 9 months prescribe regulations to carry out this section on ... "including such additional requirements as appropriate relating to the amount of dormancy fees, inactivity charges or fees, or service charges that may be assessed and the amount of remaining value of a gift certificate, store gift card, or general-use prepaid card below which such charge

es may be assessed."

### **CREDIT CARD ACT REQUIRES TREASURY REVIEW OF STORED VALUE CARDS**

[Credit CARD Act of 2009](#) in Section 503 requires that the Secretary of the Treasury in consultation with the Secretary of Homeland Security, within 270 days, "issue regulations in final form implementing the Bank Secrecy Act, regarding the sale, issuance, redemption, or international transport of stored value, including stored value cards."

### **CREDIT CARD ACT REQUIRES FED TO EXAMINE CREDIT CARD ISSUER PRACTICES**

The newly signed [Credit CARD Act of 2009](#) in Section 505 requires the Federal Reserve Board in consultation with several other agencies to submit a report to Congress within one year "the extent to which, during the 3-year period ending on such date of enactment, creditors have reduced credit limits or raised interest rates applicable to credit card accounts under open end consumer credit plans based on (1) the geographic location where a credit transaction with the consumer took place, or the identity of the merchant involved in the transaction; (2) the credit transactions of the consumer, including the type of credit transaction, the type of items purchased in such transaction, the price of items purchased in such transaction, the change in the type or price of items purchased in such transactions, and other data pertaining to the use of such credit card account by the consumer; and (3) the identity of the mortgage creditor which extended or holds the mortgage loan secured by the primary residence of the consumer."

### **CREDIT CARD ACT REQUIRES STUDY OF US INTERCHANGE FEES BY GAO**

The newly signed [Credit CARD Act of 2009](#) in Section 501 requires the Government Accountability Office (Comptroller General) "conduct a study on use of credit by consumers, interchange fees, and their effects on consumers and merchants." The study findings are to be presented within 180 days to the "Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing a detailed summary of the findings and conclusions of the study required by this section, together with such recommendations for legislative or administrative actions as may be appropriate." The act doesn't specifically state whether the study is to be limited to credit card interchange fees or is to include debit card interchange fees as well.

In conducting the study required by this section, the Comptroller shall review:

1. the extent to which interchange fees are required to be disclosed to consumers and merchants, whether merchants are restricted from disclosing interchange or merchant discount fees, and how such fees are overseen by the Federal banking agencies or other regulators;
2. the ways in which the interchange system affects the ability of merchants of varying size to negotiate pricing with card associations and banks;
3. the costs and factors incorporated into interchange fees, such as advertising, bonus miles, and rewards, how such costs and factors vary among cards;
4. the consequences of the undisclosed nature of interchange fees on merchants and consumers with regard to prices charged for goods and services;
5. how merchant discount fees compare to the credit losses and other costs that merchants incur to operate their own credit networks or store cards;
6. the extent to which the rules of payment card networks and their policies regarding interchange fees are accessible to merchants;
7. other jurisdictions where the central bank has regulated interchange fees and the impact on retail prices to consumers in such jurisdictions;
8. whether and to what extent merchants are permitted to discount for cash; and
9. the extent to which interchange fees allow smaller financial institutions and credit unions to offer payment cards and compete against larger financial institutions.

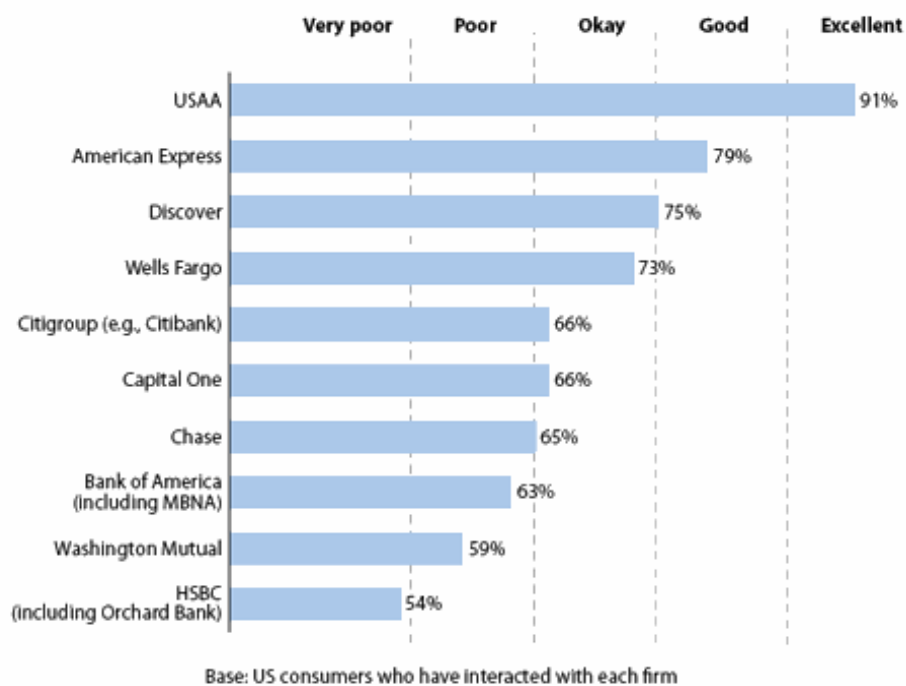
## American Express, Discover Top Credit Card Provider Rankings

Credit card providers took sixth place out of 12 industries included in Forrester Research's Customer Experience Index (CxPi), ending up with an overall "okay" rating of 68%.

The average score for credit card providers increased by one percentage point compared with last year.

USAA came out on top with an "excellent" rating of 91%, followed by two providers with "good" ratings: **American Express** ([AXP](#)) and **Discover** ([DFS](#)). At the other end of the spectrum, **HSBC** ([HBC](#)) received a "very poor" rating, while **Washington Mutual** and **Bank of America** ([BAC](#)) ended up with "poor" ratings.

**Figure 3** CxPi For Credit Card Providers



Source: North American Technographics® Customer Experience Online Survey, Q4 2008

54200

Source: Forrester Research, Inc.

When it comes to meeting consumers' basic needs, Forrester says in [Customer Experience Index 2008 Snapshot: Credit Card Providers](#). When it comes to meeting needs, USAA ended with a near perfect score. American Express also ended up with an "excellent" rating, and five other firms wound up with a "good" rating. HSBC was the only credit card provider with a "poor" rating.

## All Business Economic Confidence Drops Sharply in May

After reaching its highest level in 14 months, the economic confidence among small business owners fell in May as owners reported

cash flow concerns and expect to cut back on business development spending, according to the latest [Discover Small Business Watch](#) monthly index dropped more than 10 points to 78.1, down from 88.5 in April.

Watch also recorded significant drops in the numbers of small business owners who think the overall economy is getting better and the number of owners who thought economic conditions were improving for their own businesses.

"We saw cash flow problems jump this month to their highest level in 2½ years, which is certainly not going to boost the optimism of all business owners, especially in this economic climate," said Ryan Scully, director of Discover's business credit card. "However, over the past three months we've been recording our highest confidence levels since summer of 2008, so all is not lost."

Go

## Survey Uncovers the True Extent of Economic Crisis on Customer Relationships with Banks

### Enterprise Establishes 'Banking Relationship Score' - Outlines Steps Required to Rebuild Trust and Confidence

ATLANTA, Georgia and LONDON, May 26 /PRNewswire/ -- Results of a new survey released today by S1 Enterprise confirm that troubles in the banking sector have taken a toll on customers' relationships with their financial institutions - and provide insights on how banks can rebuild trust and confidence. Fielded among more than 1,200 European and U.S. consumers and 54 large corporate banking customers in April 2009, the survey finds that only nine percent of consumer respondents in Europe and the U.S. are currently confident in financial institutions.

The crisis in the financial sector shows no signs of abating, with only 14 percent of European consumers believing things are likely to improve in the next 12 months. This lack of confidence extends to consumers' relationships with their banks with only 37 percent of European consumers saying they are likely to stay with their current bank, and a mere 27 percent admitting they would recommend their current bank to someone else. Another 43 percent would go as far as to dissuade someone from becoming a customer. This data underscores the need for banks to draw closer to their customers in terms of communicating the institution's financial health as well as demonstrating an understanding of customer needs and expectations.

The survey goes on to establish a benchmark for tracking the strength of the relationship between banks and customers. The 'Banking Relationship Score' (BRS) is a multi-dimensional measurement that combines three stated and emotional factors: trust in one's current bank; likelihood to continue with one's current bank; and likelihood to recommend one's current bank to others. BRS scores fall into one of three ranges developed by Vantage Group based on analysis and benchmarking across a variety of industries: Strong Relationship = a score of 75 or higher; Neutral Relationship = a score of 60 to 74; and At-Risk Relationship = a score below 60.

The overall Banking Relationship Score for European financial institutions came in at 27.7, compared to 55.3 in the U.S. This score is well into the 'at-risk' zone and almost 50 points below the target range of 75 or above which designates strong relationships.

"The severity of the downturn for financial institutions has clearly eroded key components of the banking relationship, while increasing the importance of emotional drivers like trust," said Read Ziegler, President and CEO of Vantage Group. "By weighing the trust factor against the stated likelihood of consumers to stay with as well as recommend their bank, we can get a fresh new perspective on the health of the bank-customer relationship on a national level."

"Banking relationships are clearly at a crossroads," said Mark Moore, Vice President of Marketing for S1 Enterprise. "But the more important question is what banks can do to combat these trends and rebuild relationships with their customers, both on the consumer and corporate sides of the business. The way in which banks interact with their customers matters today more than ever."

The results highlight the growing importance of banks building back trust and confidence through a greater focus on customer intimacy across all banking channels (online, mobile, branch/teller and call center). For example, when asked their preference for interacting with their banks, a majority of consumer respondents (41 percent) said 'in person at the branch', followed by a more even split between a combination of in person

ne (28 percent) and online only (23 percent).

survey results suggest specific steps that the banks can take to build stronger customer relationships. These include tailoring communication and the overall banking experience to individual customer segments across all delivery channels. This means banks will need to better use data and analytics for deeper insight in order to provide advice about how customers can better manage their financial lives. "The research suggests banks should strive to create a culture of customer advocacy, one that promotes proactive service, honesty and greater transparency into a customer's financial health," added Moore.

Other top findings from the survey include:

- Overall, only 14 percent of European consumers indicated they were feeling positive about an economic recovery within the next 12 months.

- Only 37 percent of European consumers say they're likely to stay with their current bank, and a mere 27 percent would actually recommend their current bank to someone else. Another 43 percent say they'd be more likely to dissuade someone from becoming a customer.

- When broken down by demographic factors, the Bank Relationship Score model revealed that young, affluent males with less than three accounts with their primary bank represent the customer group at greatest risk for defecting.

- The survey of corporate banking customers found 'Trust' to be the number one factor in building valuable banking relationships (70 percent of corporate respondents). As the financial landscape continues to shift, 50 percent of corporate respondents noted that they intend to keep their banking relationships limited to a small group of less than five institutions (the smallest option available on the survey questionnaire).

- Only 41 percent of large corporations indicated they would be likely to recommend their financial institution to a friend or colleague, and only 46 percent noted that they are likely to continue a relationship with their bank.

and 'Banking Relationships: An Era of Change,' this survey was conducted by third-party research firm, Vantage Group LLC, on behalf of S1 Enterprise, a division of S1 Corporation (Nasdaq: [SONE](#) - [News](#)) and a leading global provider of flexible, bank-centric solutions and payment services.

about S1 Enterprise

More than 100 banks and three million consumer, small business, and corporate users worldwide rely on S1 Enterprise solutions to access and manage their financial information. A division of S1 Corporation (Nasdaq: [SONE](#) - [News](#)), S1 Enterprise is a leading global provider of integrated banking solutions that deliver financial service providers a holistic view of their customers whether online, in the branch or in the call center. Additional information about S1 Enterprise is available at [www.s1enterprise.com](http://www.s1enterprise.com).

about S1 Corporation

Corporation (Nasdaq: [SONE - News](#)) delivers customer interaction software for financial and payment services and offers unique solution s  
financial institutions, retailers, and processors under three brand names: Postilion, S1 Enterprise and FSB Solutions. Additional information  
at S1 solutions is available at <http://www.s1.com/>, <http://www.postilion.com/>, [www.s1enterprise.com](http://www.s1enterprise.com) and [www.fsb-solutions.com](http://www.fsb-solutions.com).

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on.

## **ook at American Express**

n article titled "[Amex chief sticks to playing cards he knows](#)", Matthew Garrahan writes for the Financial Times about American Express and  
Ken Chenault.

Chenault says: "In a crisis what you don't do is hunker in the bunker. I'm very focused on the core advantages of our business model, what  
changes need to be made . . . and how to emerge stronger."

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## **ank Thanks Wining Customers A Million Times Over**

w York, NY and Henderson, NV Natives Win Grand Prize in Citibank's "Thanks-A-Million" Sweepstakes

### ***ur Runners-Up Each Win 500,000 Rewards Points***

W YORK, May 27 /PRNewswire/ -- Scott Benedict and Megan Fullagar just received a million thanks from Citibank. As the grand-prize  
winners in the Citibank "Thanks-A-Million" sweepstakes each has won one million ThankYou(R) Points.

hat customers enjoyed about the 'Thanks-A-Million' promotion was that they were entered to win just by doing their everyday banking  
activities like using their debit card," said Peter Knitzer, Group Executive Vice President, Citi. "The points they've won can be redeemed for  
wards like vacations or the latest in electronics, or for everyday necessities including gift cards for gas, and other needs. Citi's ThankYou  
wards Network has millions of rewards to choose from, so points can be used in virtually endless ways."

e grand-prize winners, who will be recognized at events hosted at Citibank branch locations in their home towns, will have multiple options  
redem their Million ThankYou Points, for items including:

- Gift Cards for dozens of top retail brands
- Merchandise such as flat screen TVs and digital cameras
- Travel including airline tickets, hotels and cruises to destinations throughout the world

nd much more from the extensive rewards collection available from ThankYou Rewards Network ([www.thankyou.com](http://www.thankyou.com))

addition to the Grand Prize winners, Michael Fleece from New York and Katharine Anderson, Daniel McSwain and Kyle MacPherson  
m California have each won 500,000 ThankYou Points, through the sweepstakes. An additional ten winners have each won 100,000

ThankYou Points.

"For someone recently displaced by the economy, winning one million ThankYou points is truly a blessing," said Megan Fullagar, Grand Prize winner. "I plan on using the points to help pay bills and buy some new things for my apartment. Thank you Citibank."

"I entered the sweepstakes because using my Citibank check card is the most convenient way for me to pay for things; even more convenient than cash," Scott Benedict, Grand Prize winner.

For Citibank checking customers enrolled in ThankYou Rewards Network, the Sweepstakes winners can accumulate ThankYou Points every month for nearly all types of banking products and services, including direct deposit, online bill payment, debit card usage, having savings accounts and more. No other banking rewards program in the U.S. allows customers to earn rewards points in as many ways.

## About Citibank

Citibank is a member of Citi, the leading global financial services company, which has approximately 200 million customer accounts and does business in more than 140 countries. Through its two operating units, Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Additional information may be found at [www.citigroup.com](http://www.citigroup.com) or [www.citi.com](http://www.citi.com).

ThankYou Rewards Network is a no-fee rewards program that allows members to accumulate points from a growing network of places, and roll points into one ThankYou Member Account. ThankYou Members get points for banking at Citibank with an eligible checking account, using participating Citi credit cards, by making purchases with a Smith Barney Financial Management account card, and by booking qualified travel on Expedia.com. They can also earn even more points by shopping through the ThankYou Bonus Center, which features more than 300 brand-name online and in-store retailers. Members can redeem ThankYou Points from a selection of millions of rewards at [www.thankyou.com](http://www.thankyou.com), including travel, merchandise, gift cards, student loan and mortgage payments, and charitable donations. Members may also customize their own rewards through ThankYou Network's exclusive program, "Your Wish Fulfilled."

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**Western Union Offers Customer Option to Receive Funds via Online Banking at [www.garanti.com](http://www.garanti.com)**

### *Service Launched with New Agent, Turkey's Garanti Bank*

DENVER, Colo. & ISTANBUL--(BUSINESS WIRE)--The Western Union Company (NYSE: [WU](#) - [News](#)), a worldwide leader in money transfer services, announced today the launch of a service that allows online banking customers in Turkey to receive money transfers directly into their bank accounts. The service is offered through a new Agent, Garanti Bank, Turkey's second largest private bank. Online banking customers can also send money from the website at any time to more than 334,000 Western Union® Agent locations in over 200 countries and territories.

The service model may be applied further in Turkey and in other markets around the world.

"Western Union continues to drive industry innovation to meet a growing demand for convenient, reliable online services," said Hikmet Ersek, Executive Vice President and Managing Director for Europe, Middle East, Africa, Asia Pacific. "This is the first time a Western Union customer in Turkey will be able to choose between the traditional method of receiving cash at an Agent location and having funds sent directly into his bank

unt, without having to go to a physical location or talking to a call center.”

Fuat Erbil, Executive Vice President of Garanti Bank, said: “Garanti Bank is known for its dynamic business approach and commitment to technological innovation. We have achieved many firsts in Turkey and are delighted to be part of using the Internet to bring a new level of convenience and efficiency to our customers.”

service is aimed at busy people who do not have time to visit an Agent location and is available 24 hours a day, seven days a week. Customers can send and receive funds using their online Garanti Bank accounts by following a few simple steps. The Western Union Money Transfer® service is available at more than 4,000 Agent locations in Turkey through Ziraat Bank, Turkish Post, Finansbank, ING Bank, Denizbank, Fortis, Türkiye İş Bankası and TBank.

### about Western Union

Western Union Company (NYSE: [WU](#) - [News](#)) is a leader in global money transfer services. Together with its Orlandi Valuta and Vigo services, Western Union provides consumers with fast, reliable and convenient ways to send and receive money around the world, as well as send payments and purchase money orders. It operates through a network of more than 379,000 Agent locations in over 200 countries and territories. Famous for its pioneering telegraph services, the original Western Union dates back to 1851. For more information, visit [www.westernunion.com](http://www.westernunion.com).

### about Garanti Bank

Established in 1946, Garanti Bank is Turkey's second largest private bank with assets reaching in excess of \$63 billion as a result of its customer-centric approach and innovative culture. As a universal bank with leading presence in all business lines, Garanti serves to over 8 million customers in corporate, commercial, SME, and consumer segments offering fully integrated financial services through its 9 financial subsidiaries that include insurance, investment systems, pension, leasing, factoring, brokerage and asset management. Committed to its customers, Garanti with over 16,000 employees operates an expanding distribution network comprising more than 730 branches including five foreign branches and four international representative offices, more than 2,600 ATMs, an award-winning call center and an Internet and mobile bank utilizing its state-of-the-art technology. Garanti supports its extensive branch network with centralized operations, exceptional data warehousing and management reporting systems, and the efficient use of alternative delivery channels. Garanti's wide product variety combined with custom-tailored solutions is a key competitive advantage in its success as Turkey's largest lender providing more than \$44 billion in cash and non-cash loans. For more information, please visit [www.garantibank.com](http://www.garantibank.com).

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### Contact:

Western Union  
Lela Heng, +852 6050 6277  
[lela.heng@westernunion.com](mailto:lela.heng@westernunion.com)

### Mobile Banking Hits Mainstream in 2009 Says TowerGroup

Despite the general downturn in the banking industry, [new research from TowerGroup](#) finds that 2009 will be a pivotal year for mobile banking as it turns from a niche channel to a mainstream channel for consumer banking. TowerGroup estimates that mobile banking users will grow from 10 million active users in 2009 to over 53 million active users in 2013, representing a compound annual growth rate of 51.8%.

Economic concerns prompt consumers to manage their finances more closely, their desire for real-time access to- and control of-

Aggregated financial information is increasing the urgency for banks to create a mobile banking channel. More broadly, the proliferation of mobile devices and smart phones symbolizes a pervasive, networked consumer market, revolutionizing many aspects of the consumer lifestyle, including finance. To this end, TowerGroup believes that mobility will be a major disruptive force in the financial services industry.

Financial services executives understand that mobile banking is a bridge to much more feature-rich, value-added mobile payments applications," said Charul Vyas, analyst in TowerGroup's Emerging Technologies practice. "The ubiquity of mobile devices, coupled with consumers' craving for information on the go, is creating the perfect opportunity for banks to extend the reach of their banking services using the most personal possession for consumers - the mobile phone. At a time when every customer counts, mobile banking is an avenue for banks to reach new audiences and grow their business."

Best mobile banking strategies today are a result of banks' efforts to extend financial services to their existing Internet banking customer base as a next step in the evolution of the self-service business model. As time progresses, mobile banking will flourish and services will continue to evolve, moving beyond basic banking functionality like balance inquiries, location finders and intrabank fund transfers to more sophisticated applications that leverage the rich functionality of mobile devices.

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## **Gartner Says Number of Mobile Payment Users Worldwide to Increase 70 Percent in 2009**

The mobile payment industry will experience steady growth, as the number of mobile payment users worldwide will total 73.4 million in 2009, a 70 percent increase from 2008 when there were 43.1 million users, according to Gartner, Inc.

Gartner predicts that the number of mobile payment users will reach more than 190 million in 2012, representing more than 3 percent of total mobile users worldwide and attaining a level at which it will be considered "mainstream."

The momentum in the mobile payment market gathered further in 2008 with a number of high-profile launches of mobile money transfer services in multiple markets, participation of major global institutions in near-field communication (NFC) payment trials, as well as new payment solutions entering the market," said Sandy Shen, research director at Gartner. "However, at the same time, security concerns, an inadequate 'ecosystem' and undefined areas in banking regulations remain challenges for mobile payment."

Gartner defines a mobile payment as paying for a product or service using mobile technology such as a short message service (SMS), Wireless Application Protocol (WAP), Unstructured Supplementary Service Data (USSD) and NFC. It includes transactions that use banking instruments such as cash, bank accounts or debit and credit cards, as well as noncarrier stored value accounts, such as travel cards, gift cards or Paypal. It does not include transactions that use mobile operators' billing systems, such as purchase of mobile content or telebanking by mobile to the service provider via an interactive voice response (IVR) system.

"Mobile payment has very different user cases and impact on developing markets to that of developed markets," Ms. Shen said. "In developing markets, together with mobile banking, it allows people to use financial services in a more-efficient way — and sometimes the only way — at low-cost, and can greatly improve standards of living. In developed markets, mobile is more of an extension of the existing payment infrastructure that allows people to deal with their financial needs on the go and in a timely fashion."

The disparity leads to the presence of different products in different markets. For example, many services in the U.S. rely on a full browser and a debit card, but this won't work in developing markets, as many people don't even have a bank account or bank card. On the other hand, Ms. Shen said USSD banking wouldn't be acceptable in the U.S. as mobile operators have never made use of this for customer services and users may find it awkward to work with.

In terms of both number of users and transaction volumes, Gartner expects Asia/Pacific and Japan to maintain a larger share of the market through

2. While mobile payment penetration in Western Europe is expected to rise from 0.9 percent in 2009 to 2.5 percent in 2012, and from 1.7 percent to 3 percent in North America; penetration in Asia/Pacific and Japan will rise from 2 percent in 2009 to 3.8 percent in 2012. Mobile payment penetration in Eastern Europe, the Middle East and Africa (EMEA) and Latin America is also expected to exceed 3 percent by 2012.

The most profound impact of mobile banking and payment services is that they provide the nonbanking population with access to modern financial services, giving them tools to improve their living standards," said Ms. Shen. "For mobile operators, mobile payment can help attract new users and generate new revenue streams. For financial institutions, mobile payment is an opportunity to reach users who may have been previously unreachable, due to a lack of retail infrastructure."

Shen said that overall, the market will see fragmentation in both technologies and business models, meaning that services need to be adapted to individual markets — even when deployed with the same partners — and that long lead times will be needed for deployment. This, together with the time required for creating user awareness, leads Gartner to believe that mobile payment is at least three years away from entering the mainstream market.

Additional information is available in the Gartner report "Dataquest Insight: Mobile Payment, 2007-2012." The report is available on Gartner's website at [http://www.gartner.com/DisplayDocument?ref=g\\_search&id=950812&subref=simplesearch#h30](http://www.gartner.com/DisplayDocument?ref=g_search&id=950812&subref=simplesearch#h30).

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## Mocapay Launches Mobile Gift Application for iPhone

Merchants with existing plastic gift card programs can now take advantage of [Mocapay's](#) recently launched mobile gift card iPhone application, [available on iTunes](#).

Mocapay, a leader in mobile gift, loyalty, and marketing, now provides three modes of consumer interaction for mobile gift, including text (SMS), mobile web browser (WAP), and mobile application via the iPhone. SMS was launched in 2007, followed by the introduction of WAP in 2008. In addition to the iPhone application, Mocapay will be introducing its Blackberry application on select handset models, in the third quarter of 2009.

The three modes of mobile payment, SMS, WAP, and the iPhone Application enable mobile gift account holders to pay at the point-of-sale, access account balance and transaction history, search for locations, and reload their card account balances, all from their mobile phone. "As the mobile payments and marketing space evolves, we strive to provide a comprehensive solution for both our merchants and their customers," says John Grieve, CEO of Mocapay. "The addition of Mocapay to the iPhone enables our merchants to provide a rich experience, with the added convenience of mobile payments."

Mocapay extends the merchant-branded plastic gift card experience to the mobile phone, while creating an additional mobile marketing and payments channel. Interested merchants who would like more information should contact Mocapay at [merchantservices@mocapay.com](mailto:merchantservices@mocapay.com).

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## Voltage Security Introduces Data Breach Index

Voltage Security has introduced the [Voltage Data Breach Index](#), a single at-a-glance view into the state of national and global data breaches.

According to Voltage, "the visual map brings data breach reporting to life, summarizing historical and real-time breaches, size and scope, types of records, regions affected, industry and more. Perhaps most interesting is that patterns in the data enable the creation of a predictive data breach model. This model predicts, for example, that 14 data breaches will, over the next year, each expose 1,000,000 or more records to potential use by criminals. And, at least one breach of over 10,000,000 records will affect nearly 5 percent of the U.S. population." A [white paper](#) is also available.

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## Insight, Patria Services Launch MoveManager

Insight and Patria Services Corp. have [announced](#) they have formed a joint venture to provide “MoveManager,” a solution for address change requests that delivers both risk management and portfolio optimization. A [webinar on the new offering](#) is scheduled for Wednesday, June 3, from 12-1 PM EDT.

According to the two companies, “the “MoveManager” technology platform combines the industry best practices of regulatory compliance and fraud prevention related to a customer’s address change with patent-pending marketing solutions that enhance portfolio performance. An address change request signals one of the most critical events in the life cycle of a client relationship. From a risk perspective, relocation represents an exposure to potential account takeover fraud and identity theft. From an opportunity perspective, relocation indicates a significant opportunity to meet the evolving needs of existing customers by targeting and delivering relevant incentives to generate new revenues.”

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## MoneyGram International Announces Major Expansion of Money Transfer Services in India

### *Partnering Indian bank set to begin service at 4,600 branch locations*

CINCINNATI--(BUSINESS WIRE)--MoneyGram International (NYSE:[MGI](#) - [News](#)), a leading global money transfer company, announced today that Punjab National Bank, the second largest government bank in India, will begin offering MoneyGram’s money transfer service across a network of more than 4,600 bank branches in India. The expansion is part of an agreement signed through MoneyGram super agents Thomas Cook and UAE Exchange Financial Services, Ltd.

“MoneyGram’s growth in India is a vital part of our global expansion plans,” said Anthony Ryan, MoneyGram president and chief executive officer. “India represents one of the largest remittance markets in the world and a significant growth opportunity for MoneyGram. Punjab National Bank caters to the needs of 37 million customers and has a network with the capability to deliver MoneyGram’s convenient and reliable money transfer services to more customers in more communities across India.”

MoneyGram expects to activate the Punjab National Bank locations in phases, launching the first 3,500 branches in large cities such as New Delhi and Ludhiana and smaller communities all over the country by year end.

MoneyGram International executives Nick Cunnew, director of the Asia Pacific and South Asia regions, and Harsh Lambah, regional director of South Asia, were in New Delhi, India, today to celebrate the Punjab National Bank alliance at a launching ceremony with leaders from the bank and super agents Thomas Cook and UAE Exchange.

RIS Sidhu, chief general manager, Punjab National Bank, said, “We are pleased to offer MoneyGram service through our extensive and large network of over 4600 branches in 2565 cities and centers across the nation. Adding, MoneyGram service will provide value to our customers and broaden the range of services offered to them. Through this service customers can receive their money remitted from abroad through any Punjab National Bank branch in India, close to their home.” said Mr. RIS Sidhu, chief general manager, Punjab National Bank.

MoneyGram’s Cunnew said, “We are eager to continue growing our footprint in India and expanding our global reach. Our alliance with a financial institution of the calibre of Punjab National Bank signifies our commitment to working with leading financial institutions to deliver convenient money transfer service, helping millions and millions of people in India stay connected with family and loved ones all over the world.”

According to the World Bank, 2008 remittances in India totaled \$45 billion—a figure driven by the growing number of Indians living, working and traveling abroad. Demand for safe and reliable remittances is especially high in countries with large Indian populations including

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United States, United Kingdom, Canada, Australia, Greece and the UAE.

To receive money via MoneyGram in India, the receiver can walk into any MoneyGram agent location, complete a simple Receive Form and show photo identification to collect funds in as little as 10 minutes, subject to agent availability and hours of operation.

MoneyGram's money transfer service is approved by the Reserve Bank of India (RBI) and has been available in India since 1997. In addition to MoneyGram, E Exchange and Thomas Cook, key agents adding subagent network across India include Mehra Forex, Airwings Services Pvt. Ltd., IndusInd Bank, Supreme Securities Limited, Trade Wings Limited and Catholic Syrian Bank.

### **Get MoneyGram International**

MoneyGram International offers more control and more choices for people separated from friends and family by distance or those with limited relationships to meet their financial needs. A leading global payment services company, MoneyGram International helps consumers to pay quickly and safely send money around the world in as little as 10 minutes. Its global network is comprised of 180,000 agent locations in 190 countries and territories. MoneyGram's convenient and reliable network includes retailers, international post offices and financial institutions. For more information, MoneyGram offers its most loyal customers MoneyGram Rewards for cash discounts on eligible money transfers from the U.S. To learn more about money transfer or bill payment at an agent location or online, please visit [www.moneygram.com](http://www.moneygram.com).

#### **Contact:**

MoneyGram International  
Linda Michielutti, 952-591-3846  
[michielutti@moneygram.com](mailto:michielutti@moneygram.com)

### **Blue Bamboo Selects KORE Telematics for Wireless POS**

KORE Telematics, a digital wireless services provider specializing in machine-to-machine (M2M) communications, has announced it has teamed up with Blue Bamboo to help power electronic payments using the H50 Terminal, a new entry in the wireless point-of-sale (POS) marketplace.

By relying on the KORE network for ubiquitous, real-time data transmission, Blue Bamboo can now offer secure, affordable POS payment applications to customers operating in mobile environments.

Blue Bamboo's all-in-one H50 is a versatile handheld POS terminal with configurable communication modules supporting GPRS, Bluetooth and Wi-Fi connectivity. Its GPD/STIP multi-merchant, multi-application platform enables highly flexible payment processing. The H50 has received PCI DSS, PED, EMV Level 1 & 2, PABP and MasterCard PTS certifications. Packaged in a sleek ergonomic design, the H50 enables mobile professionals to process secure, electronic payments in a simple, reliable and affordable manner. With Blue Bamboo's H50 Terminal, merchants can save time, reduce processing fees, prevent fraud and minimize losses resulting from non-swiped transactions—all of which contribute to a quick return on their technology investment. KORE provides Blue Bamboo with an integrated wireless network with the coverage, reliability, comprehensive management and optimized usage plans required to deliver these POS payment applications.

"Blue Bamboo selected KORE for their superior network connectivity and exceptional customer service," said Justin Anderson, vice president of America's Blue Bamboo. "Due to the nature of our business, we simply cannot afford to run into any coverage or connectivity issues when a card is being processed at the point of sale. With the KORE SIM and their wireless backbone, we have been able to offer secure, reliable and affordable POS applications to our mobile workforce customers. Additionally, the KORE PRISM management portal, a self-managed platform with Web and API real-time control options, enables us to more efficiently manage our use of the KORE network."

"The wide geographic coverage and high reliability of our network is critical to our partners' offerings," said Alex Brisbane, president and CEO of KORE Telematics. "Increased security for merchants and consumers alike delivered through the use of wireless processing, without the card

appearing from the customer's view, is driving rapid adoption. At KORE, this security and reliability is built-in because we recognize that the network is a critical asset for partners like Blue Bamboo that are bringing innovative payment management solutions to the market.”

KORE is the only M2M provider with direct, reliable connectivity and dual redundant network centers supporting access through the extensive CDMA and GSM networks of Tier 1 carriers. Its extensive network service offerings span the globe, serving the entirety of North America and full international reach. Delivering services through the company's pioneering PRISM Gateway, KORE application and solution partners have full-time control and management of activation, usage and alarms for their widely deployed M2M solutions.

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**Comments to:**

A. Lyle Elias  
ATMIA Founding Director  
EPF News Editor  
Email: [mail@lyleelias.com](mailto:mail@lyleelias.com)

Mike Lee  
ATMIA CEO  
Email: [mike@atmia.com](mailto:mike@atmia.com)

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