



## **Product Detail Guides**

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JHA Payment Processing Solutions



## Transaction Processing Detail Guide

### *Visa and MasterCard*

#### **Authorization Processing**

Authorization requests, because of their direct impact on cardholders, are one of the most important components of your card program. JHA Payment Processing Solutions (PPS) reliability maximizes service to your cardholders while minimizing risk exposure. Because our system is reliably processing authorization requests and verifying them against the most current information available, your cardholders can confidently use their cards.

Information regarding the authorization (date, time, location, approval code or decline reason, dollar amount, etc.) will be immediately available on our online screens and will be retained for 45 days for research and inquiry. We retain seven years of history in our reporting system.

You have two options for authorization processing:

#### **Batch Authorizations**

PPS' batch interface replies to authorization requests on your behalf based on data on the PPS system. This data is updated by risk management programs/processes and by your most recent positive balance file. PPS performs the following validations, if applicable, during our positive balance processing.

- Card number
- PIN
- CVV/CVC
- CVV2/CVC2
- CAVV/AAV
- Card activation
- AVS
- Expiration date mismatch
- Name mismatch
- BIN/account limits
- Authorization restrictions
- Block status
- Available funds
- Auto block/auto decline for Visa Advanced Authorization alerts

## **Online Authorizations**

PPS' online authorization interface is extremely fast and reliable. With online authorizations, all authorization requests are pre-checked by the Payment Processing Solutions system. PPS pre-checks include the following validations as applicable.

- Card number
- PIN
- CVV/CVC
- CVV2/CVC2
- CAVV/AAV
- Card activation
- Expiration date mismatch
- Name mismatch
- AVS (if offered by data processor)
- BIN/account limits
- Authorization restrictions
- Hard block status
- Risk block status
- Auto block/auto decline for Visa Advanced Authorization alerts.

If authorizations pass our pre-check they are switched through PPS and routed to your financial institution's host computer. Approval or denial of each request is based on the current information in your database.

As your system approves or declines authorization activity, an approval code or decline response is logged to the PPS system and forwarded to the appropriate network. Your response includes the new account balance—including the memo hold for the authorization approval and any monetary adjustments since your last positive balance file. We update our system with this file date. Account status is also updated from your decline response. This dynamic updating of account information ensures that we have the most current information available.

We require a 120-day lead-time for installation of the online program. This ensures all components of the interface are shipped and installed in time for testing and certification.

## **Stand-In Authorization**

If the communication link between PPS and the issuer or the issuer's host is unavailable, PPS will perform stand-in authorizations, using your positive balance file. Because your PBF is being dynamically updated, most financial institutions send only one full file per week to ensure that all information is current. If PPS stands in for authorizations when your host is unavailable, we'll forward any approved authorizations (and declined authorizations, if requested) when the system comes back online. PPS will also stand in for authorization requests that are not returned from the issuer within five seconds. In addition, PPS will stand in for automated fuel transactions. If the cardholder doesn't have adequate funds, we will approve with a partial authorization (assuming the merchant supports partial authorizations).

## **Transaction Clearing**

Information regarding the transaction will be available on our online screens once the transaction has cleared and will be retained for 180 days for research, dispute, and inquiry. We retain seven years of history in our reporting system, OnDemand.

Transactions are cleared either through a batch posting file or online completions using the VPN connection. Online completions for Visa and MasterCard signature transactions are created at the same time as the batch posting file. Unlike online ATM transactions, these completions take place after the merchant has cleared the transaction—normally one to three days after the authorization is processed. Online completions are only available using select core processing systems. Settlement takes place the same day items are received from Visa/MasterCard.

We support two options for processing Visa and MasterCard's currency conversion fees. Depending on your data processing system, we can send the fee as a separate postable transaction (at the rate you choose) or we send a currency conversion indicator in the original transaction so that you can initiate the fee internally. We can also combine these options; assessing the fee and sending the indicator.

### **Batch Clearing**

Your batch daily clearing file is available shortly after we receive the transactions from Visa/MasterCard. Cleared transactions are included in a CTF (Center Transaction File) that your financial institution picks up daily. The file is balanced and then posted to the cardholders' accounts. We can also include the previous day's approved authorizations, so institutions can hold funds until the transactions clear.

### **Online Clearing**

The online completion process allows the cleared transactions to be sent by an online completions process. Once PPS receives the cleared transactions they're sent through the on-line connection one at a time and post to the cardholders' accounts. Your financial institution picks up an ARF (Auto Reconciliation File) each day to balance the settled transactions after they have posted.

### **Settlement**

You'll receive a settlement report showing full interchange income, special interchange items (chargebacks, fee collections, cash advances, and representments), transmitted items, non-transmitted items and exceptions. We provide settlement totals at portfolio and BIN levels.

Settlement options include clearing daily through a corporate credit union, direct wire, receipt of a Fedline 1031 drawdown request, or directly with Visa/MasterCard. No settlement account (reserve) is required.

Settlement reports are retained for seven years.

### **Daily Interchange**

We provide 100 percent interchange reimbursement daily.

### **Types of cards supported**

Credit, debit, ATM standalone, EMV signature-and-chip.



## ATM Services Detail Guide

We provide world-class processing services, including access to ATM networks such as STAR, CO-OP, NYCE, PULSE, CU24, Alaska Option, PLUS, and Cirrus. Several of the networks offer deposit-sharing and surcharge-free programs.

JHA Payment Processing Solutions (PPS) supports a full range of transactions including balance inquiries, fast cash, withdrawals, deposits, and a variety of other non-cash activities.

### **ATM Makes and Models**

#### *IP connected ATMs*

Our device handlers are capable of handling the most current, full function models from both Diebold and NCR in native mode. Other ATM brands will be supported using Diebold 912 or NDC+ emulation.

#### *Dial-up ATMs*

Tidel, Triton, Diebold and NCR dial up ATMs are supported. The functionality for dial up ATMs is normally limited to withdrawals and inquiries.

### **Telecommunications**

#### *IP connected ATMs*

PPS will connect directly to your ATMs or to your existing network using a virtual private network (VPN). All communication will use TCP/IP.

#### *Dial-up ATMs*

PPS will communicate with your ATMs through a telephone line and modem.

### **Monitoring**

PPS provides a sophisticated, real-time ATM Web portal. Users can send commands, view ATM cash positions, and much more from remote locations including branches or home. Many ATMs support the uploading of ATM journals. For these machines, journals are accessible from the Web portal, eliminating the manual process of pulling information from the ATM. Comprehensive hardware and troubleshooting information is available at all times.

### **Unique Keys**

PPS is fully compliant with all key management requirements as established by the ATM networks, and up-to-date with the annual security compliance review the networks require. All ATMs must be 3DES compliant. If your ATMs support AKDS, all keys will be delivered to your ATM remotely, removing the need for your personnel to load keys.

If ATM terminals are not AKDS capable we will securely provide ATM terminal keys via an A98 key management system to be manually loaded at each ATM terminal.

## **Custom Screens and Receipts**

PPS will work with you to customize your welcome, wait, and close screens. You provide the graphics and conceptual design, and we will develop the screens. We will also work with you to customize your receipts.

## ***ATM Transaction Processing***

PPS supports a full range of ATM and POS transactions for card issuers. Support can be provided in either batch or online mode.

### **Batch Processing**

In a batch environment, the ATM/POS transaction is separated into an authorization message and a clearing message. When the transaction initiates, an authorization is processed by PPS. (Please refer to the batch authorization process for Visa/MasterCard.) The only additional validation performed for ATM customers is validating the ATM/POS transaction type is allowed for the card and account selected. The clearing transaction will be sent to the financial institution (normally the next business day) as part of the Center Transaction File (CTF).

### **Online Processing**

ATM transactions will be formatted in a single message format which would include both authorization and clearing messages. Messages include an ISA indicator, which some data processors will use to assess the ISA fee. Transactions will be posted to cardholder accounts in real time upon your approval. PPS will create an Auto Recon File to be sent to the financial institution for reconciliation and balancing. Please refer to the on-line authorization process for Visa/MasterCard for additional authorization details.

### **Settlement**

Settlement cut-off occurs at 12:30 p.m. PST each day. Funds will be collected each business day for the previous day's transactions. Settlement funds are collected via ACH. PPS will provide a settlement summary to the financial institution each morning.

Interchange income is settled daily for some network providers such as CU24, others are settled monthly.

### **PIN Change at the ATM**

When the PIN change option is selected at your PPS-driven ATM, the cardholder simply enters his or her current PIN and is then prompted to select a new PIN. If the current PIN passes verification, the PIN change will be allowed and the new offset stored at PPS for use in future transactions.



## CreātaCard Detail Guide

JHA Payment Processing Solutions (PPS) offers CreātaCard to enable cardholders to create credit, or debit cards that feature photographs of their own choosing. Cardholders select their image and upload it through a Web interface that leads them through the process. They will view a sample of the card before finalizing the order. The personalized card is then created by DimpleDough, Inc. and printed by Oberthur. CreātaCard adds fun and personal meaning to the simple act of using a card, insuring that *your* card will be used.

### ***Preparing to offer CreātaCard***

#### **Your Web portal to DimpleDough, Inc.**

Your cardholder's portal to CreātaCard is usually placed within the home banking area of your institution's Web site, but does not have to be. Prior to beginning the program, you coordinate with your home banking provider and data processor to prepare your site to support CreātaCard. When cardholders make a request to personalize a card, they are taken to a DimpleDough, Inc. site with your institution's logo and colors.

You may also choose some basic elements of the card design that will appear no matter what image the cardholder selects. In addition to your logo, for example, you may wish to place a word such as "platinum" and a silver marking somewhere on the card. This design template will be seen when the cardholder uploads an image and views an example of the card.

### ***The ordering process***

#### **Cardholder chooses an image**

The cardholder visits your website and goes to the CreātaCard portal. He or she selects which card product to personalize. This selection links the cardholder to the DimpleDough, Inc. page customized with your logo and colors. The DimpleDough site steps the cardholder through the process of uploading an image and viewing a sample of the card. Cardholders may also select a "designer card" from a library of pre-designed cards if they want a special image but don't wish to submit their own photo.

#### **ID Fields**

If your service is integrated into your home banking system, your site will automatically provide DimpleDough, Inc. with data from up to seven information fields when a cardholder requests a card

1. Site Key (assigned by DimpleDough)
2. Product ID (the BIN)
3. User ID (the member/account number)
4. Card ID (an optional field for joint accounts, used to describe which cardholder the image is for: b = both, p = primary, j = joint, u = unspecified)
5. User Data 1 (an optional field designed for institutions that want to provide another data element to identify the cardholder)
6. First name
7. Last name

The first three fields are all that are needed to track and manage the average card order. If the service is not run through home banking, the cardholders can be asked questions two through seven.

### **Image review by DimpleDough**

The order system assigns a photo reference number to all the images submitted. DimpleDough, Inc. will screen the images and reject any that are found to be either copyrighted or offensive. Offensive images are those containing nudity, profanity, violence, gang-related graphics, and so on. DimpleDough sends PPS a daily list of the photo reference numbers that are accepted or rejected. PPS passes this information to you in a report. We can also supply this data in a file for upload to your system. If an image is rejected, your institution contacts the cardholder and has him or her submit a new one. If desired, we can configure the photo approval system to automatically send an e-mail to cardholders to them know if their images have been accepted or rejected.

### **Card request is sent to PPS**

To complete the card order, you send the photo reference number of each CreātaCard desired to PPS in your card issue file. PPS includes that number in the card file for Oberthur. Oberthur pulls the images from DimpleDough's system, creates the personalized cards, and delivers them to your cardholder per its usual shipping methods.

Note: If an institution does not have the ability to store a photo reference number and submit it as part of a card issue file, there is an another order method. You can enter the photo reference number in a Photo Reference File in the PPS processing system. The reference number will be forwarded with any card issue requests.

### **Photo Storage**

If you choose to store images longer than 60 days, there is a per year per image fee (charged monthly). Otherwise the images are deleted after 60 days.



# Card and PIN Management Detail Guide

## *Card Management*

### **Card Issue Files**

JHA Payment Processing Solutions (PPS) makes card issuing easy. Your in-house system creates a Card Issue File that's transmitted to Payment Processing Solutions via FTP. Your Card Issue File can be sent multiple times during the day. We provide a monthly inventory to help manage your card stock and reorder needs. For institutions that cannot maintain card issue records internally, PPS can store that information in a database.

Customers may enter "pull" information in our online system. If necessary we can pull and FedEx a card, pull and destroy a card, or pull a card and send it to an alternate address.

PPS also supports "instant issue" cards. A financial institution can issue cards in real time, directly to the cardholder. PPS supports DSI-Card Wizard, MagTek, Problem Solved, and Custom Card Solutions instant issuance configurations.

### **Card creation**

If you choose to create new cards, we can work with you to design distinctive card graphics for your financial institution or offer stock design options.

If you choose to use a generic PPS card design, we offer in-line printing to customize the card. We will work with you to collect your financial institution logo to be printed on the front of the card during the personalization/embossing process.

PPS' CreātaCard product provides the ability to offer edge-to-edge card personalization. CreātaCard enables cardholders to choose from a library of images or upload an image of their choice to be printed on their card.

### **Mailers**

PPS offers generic card mailers for each card product: Visa debit, Visa credit, MasterCard debit, MasterCard credit, and ATM. PPS also has the ability to customize carriers for your financial institution. We start with a blank carrier and you supply the logo and marketing/text of your choice. Any supplied material is printed on the carrier in black and white during the personalization process. You may also use a fully customized form as long as it meets all processing specifications.

### **Embossing**

Once we receive your card issue file, we'll forward it to Oberthur Technologies or Rocky Mountain for embossing and encoding. (You may also choose flat printing). Oberthur is a certified card production facility for Visa and MasterCard. They offer closely monitored card production with state-of-the-art security systems and equipment.

Oberthur has SmartConnection, a tracking tool that give customers comprehensive information on card orders, including job status, shipping date, inventory, insert information, and other details. Oberthur offers embossing services from California and Virginia.

PPS' card production vendors handle all phases of personalization, including inserts and mailing, in secure environments.

Rocky Mountain offers digital printing and encoding services for ATM cards. For pricing, card design turnaround times, or any other card production questions, please contact Marty Murphy at 800-881-7488, ext. 3410. We use U.S. Mail, Federal Express, or bulk shipment of cards to the financial institution.

## *PIN Management*

### **Unique Keys**

Visa, MasterCard, and ATM cards with unique BINs will have unique PIN keys. We use both Visa DES and IBM DES methods to calculate PINs.

### **Mailers**

We accept PIN orders through transmitted data or by key entry. For security purposes, PINs are mailed from a different physical location than the cards. PIN mailers are laser printed for legibility. For an added charge, they can be customized for your cardholders.

### **Cardholder-Selected PINs**

We support cardholder-selected PINs. Cardholders can bring their cards to your locations to re-encode the magnetic stripe. Phone PIN is another option where your cardholders call a toll-free number to request PIN changes.

### **Host PIN Verification**

Payment Processing Solutions offers host-PIN verification where PIN information is read off our system, not the card's magnetic stripe. Financial institutions that offer member-select PINs can quickly change PIN offsets on our system and not have to reissue cards (all PIN transactions must go through Payment Processing Solutions' system to use this feature).



## Business Continuity Detail Guide

As a pass-through processor, we provide a flexible solution for financial institutions that process in-house.

### *Disaster Recovery*

Jack Henry & Associates Payment Processing Solution (PPS) disaster recovery site is located in Allen, Texas. It is a fully configured site with backup connections to our networks. In the event of an outage, the networks provide stand-in processing while PPS restores its applications.

In near real-time, PPS replicates all critical data to the Allen facility and in a disaster recovery scenario, PPS restores the replicated data to the operating drives of the appropriate systems and brings these systems online. Data is also backed up to tape and stored offsite and thus can be used to restore systems if needed. PPS supports failover VPN technology to provide protection if a primary Internet connection goes down. PPS has documented business continuity plans and procedures that are followed in the event of a disaster situation. Mainframe and server system recovery procedures include:

- Disaster declaration and customer notification
- Restoration of application and data within the DR facility
- Establishment of connectivity to required sites
- Resumption of normally processing within the DR facility

As needed, staff will be relocated to offices equipped with communications and call center services.

Disaster Recovery plans are tested twice each year. PPS examines its disaster recovery plan as part of general auditing practices. PPS continually reviews and updates its recovery procedures between exercises and uses change control processes to ensure that production changes are incorporated into the disaster recovery plans. All production changes are tested in a separately partitioned test area on our mainframe in Houston, Texas. All server changes are also tested in a separate testing environment. Business insurance policies are reviewed annually and adjusted as necessary. Should any financial institutions experience a disaster situation that requires that services be moved to an alternate location, PPS will support disaster recovery using VPN and FTP. For information and system requirements for these services, call the toll-free line at (800) 411-8498.

### *PPS Support*

In a disaster situation where your financial institution must move services to an alternate site, PPS will support you as outlined below.

- VPN. You can recover your financial institution's VPN at your recovery site through the use of a high-speed Internet connection or an analog dial line. Payment Processing Solutions offers a spare VPN router that your financial institution can store at your recovery site to be used in the event of a disaster. The cost for the router is \$1,500. If you choose not to purchase a spare router, we will ship a new router overnight for next day delivery (business-day delivery unless your area offers Saturday and Sunday delivery). We will help your financial institution set up the connection upon receipt of the router.

- FTP. Your financial institution can send files from your recovery site by FTP. If you have recovered your VPN, you can send files over that connection. Alternately, files can be sent from any computer with an internet connection. To send or receive files through an internet connection, you will need a SecurID card. Initially you can transmit files by calling PPS and we'll give you a temporary code, which will allow you to transmit files until a SecurID card can be sent. It will take 48 hours for your new SecurID card—24 hours for us to create it and a 24-hour delivery time.



## Connectivity and File Transfer Detail Guide

### *Connectivity*

In order to provide our customers with the most secure and reliable online interface available, JHA Payment Processing Solutions (PPS) uses MultiPoint Virtual Private Network (VPN) technology called jConnect+.

Use of a VPN allows for the secure and confidential transfer of information between PPS and financial institutions through the Internet. All data traveling on jConnect+ tunnels is secured with AES and 3DES IPsec 7 encryption in compliance with the current industry standard for financial transaction data.

jConnect+ provides customer with a Cisco 892 router, plus VPN accelerator modules and firewall/IPS (Intrusion Prevention System) software. Standard and extended access lists are also used to restrict the flow of traffic, only allowing the router to communicate with the JHA data centers relevant to a particular service path. JHA provides 8x5 next-business-day onsite maintenance and weekly performance/utilization reports via e-mail. All jConnect+ routers are configured and managed by the JHA communications staff. When a new router is deployed to a customer site, a system is put in place to monitor the new tunnel and alert the customer and JHA communications staff when a loss of connectivity is detected.

All jConnect+ routers are maintained in a dual-cloud, dual-core configuration. The two-cloud core routers are housed in the JHA data centers in Lenexa, Kansas, and Houston, Texas. The purpose of the dual-cloud, dual-core configuration is for redundancy and efficiency. If the primary data center (Lenexa) were to declare a disaster and go offline, jConnect+ access would remain online due to the failover cloud core in Houston and the dynamic routing protocol (BGP) running inside the cloud.

The secondary cloud is in place to accommodate those who choose to implement a secondary Internet connection for use by your jConnect+ router for failover in the event of a primary Internet outage. The secondary cloud will provide all the same access as the primary with a seamless failover and failback.

### *Data Exchange*

We use FTP (File Transfer Protocol) to exchange data because of its speed, reliability, and flexibility. Short transmission times reduce the chance of transmission errors, and your hardware, software, and operational resources aren't tied up sending files. File updates begin immediately after the transfer. Files can be sent and received whenever necessary—no scheduling needed. A dedicated circuit isn't necessary for FTP. If an online connection exists between your financial institution and PPS and you automate the file transfer process, we use that line to transfer data. If you don't have an online connection or a file transfer automation process, we'll set you up to send files via the Web. If sending files over the Internet, you will be required to authenticate using our single sign-on SecurID authentication to send your files. If sending files over your VPN you will not need to use SecurID to authenticate.

The following is a brief description of PPS' supported data files and their contents:

- Positive Balance File (Sent by issuer to PPS)  
The Positive Balance File (PBF) contains basic cardholder information: PAN (Primary Account Number), sequence number (if applicable for stand-alone ATM), status code, and availability.

This file is transmitted to PPS via FTP. You can send a file containing account information for all cardholders or a file containing only accounts that have changed (availability, status, etc.) since the previous file. We recommend that online customers send a full PBF weekly. Batch customers can choose to send an update-only PBF daily and a complete PBF weekly or monthly. You can send more than one PBF on any given day without prior notification. All files are loaded to our system immediately upon receipt.

- **Center Transaction File (Sent by PPS to issuer)**  
For financial institutions that process in a batch environment, the Center Transaction File (CTF) contains all the information required to properly post the transaction to the appropriate cardholder account (checking, savings, or credit). The CTF is ready to be picked up each business day—normally by 7:00 a.m. Pacific Time.
- **Auto Reconciliation File (Sent by PPS to issuer)**  
Financial institutions that process transactions in an online environment will receive an Auto Recon File detailing their transaction histories for the previous day. This report will be used to reconcile settlement totals from the ATM network and the in-house operating system. The file is ready to be picked up the morning of each business day.
- **Card Issue/Reissue File (Sent by issuer to PPS)**  
This file is created by the card issuer's internal operating system and will contain information on any cards to be embossed, encoded, and mailed to cardholders. The file will include cards due to expire and cards for any new accounts added since the last issue file. The card file does not have to be sent on a specific schedule. PPS will accept multiple files in one day, or as needed.
- **CreãtaCard Photo Activity (Sent by PPS to issuer)**  
This file details the photo upload activity for CreãtaCard. The data in this file is also provided in a report. This file can be used to automate uploading the photo reference number for approved images to your in-house system. The photo reference number will be used when placing an order for a cardholder customized plastic.
- **Cardholder Data File (Sent by issuer to PPS)**  
This file is sent to PPS from the issuer and contains cardholder information such as name, address, Social Security Number, member number, home phone number, and cell phone number. This file is used by PPS in conjunction with PRISM, our neural network fraud monitoring tool, and for the Verified by Visa /MasterCard SecureCode online purchase authentication systems.
- **CAMS/MasterCard Alerts (Sent by issuer to PPS)**  
This file is sent to PPS by the issuer whenever they receive a CAMS/MasterCard Alert from Visa or MasterCard. PPS uses this information when reviewing possible fraudulent transactions.
- **Awards Program Cardholder Maintenance File (Sent by issuer to PPS)**  
The awards maintenance file is transmitted from your financial institution to PPS to allow your account holders to participate in the awards program. This file is sent to PPS from the issuer and is used to add, modify, and remove account holders from the Awards Program. This file updates the awards system with all participating and non-participating account information. This file can be sent daily or periodically but should be sent at least once a month. The awards maintenance file cycle is run seven days a week at 7 p.m. PT. Any files received prior to 7 p.m. will be loaded that night. An exception report is generated each night and should be reviewed daily.
- **Awards Program Electronic Statement Information (Sent by PPS to issuer)**  
This file is created by PPS for our financial institutions that participate in our awards program. You can include this information in your monthly account statement. This statement files reflect the point activity for the previous month or quarter. Statement files will only include Loyalty Accounts in an active participating status. Statement information will be generated in three files. The data in all three files can be merged since all files will contain the Loyalty Account ID.  
File 1) Contains information about loyalty accounts.

File 2) Contains information about cards connected to the loyalty account.

File 3) Contains redemption data.

Three files will be transmitted every day that a statement is generated for an account holder. Files will contain accounts with the appropriate cycle number (e.g. files generated on the first day in month will have accounts with cycle number 1). Quarterly statements are generated in January, April, July and October for the previous quarter.

- **Cash Rebate File (Sent by PPS to issuer)**  
This file is sent by PPS to the issuer to report the cash rebate amount earned by each cardholder according to the issuer's program. This file can be sent on a monthly, quarterly or yearly basis.
- **Year End Statement File (Sent by PPS to issuer)**  
This file is sent by Payment Processing Solutions to the issuer to report all purchases initiated by the cardholder for the year. Year end statements are supported in either raw format or as the actual statement. Both summary and detail reports are provided.



## Online Inquiry and Maintenance Detail Guide

Assigned staff members at your financial institution will be given access to JHA Payment Processing Solutions' (PPS) various Web systems. All applications can be accessed from anywhere you have an Internet connection. All access via the Internet is protected by our single sign-on product that uses SecurID authentication. Access for certain applications is also granted over your secure VPN and does not require SecurID.

### *PowerLink Online*

PowerLink Online allows your financial institution to access our host processing system. Your staff can be given inquiry-only or maintenance capabilities, based on your needs. You define the security access levels for your staff. PPS can block individual staff members from performing maintenance on their own accounts.

### **Inquiry Screens**

Inquiry screens provide research capabilities for Positive Balance File, authorization and clearing history, transmission history, online authorization status, card issue status/history, card block history, cardholder data, and card activation information. Authorization history is maintained online for 45 days and transaction history for 180 days.

### **Maintenance Functions**

While you can initiate many maintenance functions on your in-house system, other functions can be done directly online—block/unblock accounts, activate cards, update balances, update cardholder limits, order cards, report information to issuers clearing house, authorize and settle cash advance transactions, update offsets for host PIN verification, request special handling for a card/PIN, initiate chargebacks, copy requests and fraud advices, update the stop recurring payment file, etc.. All status changes—addition and removal of block codes—are forwarded automatically to Visa and MasterCard.

### *Extra Awards Screens*

Inquiry screens provide access to information on awards, point levels, point accruals, point usage, points due to expire, and statement summaries. Maintenance screens enable financial institutions staff to make manual point adjustments and process redemptions.

### *Reporting and Document Delivery*

#### **OnDemand**

OnDemand is PPS' online reporting system. You can easily select the reports you want, save them as text files to be imported into popular data mining software, and forward them to others by e-mail. Another benefit is that you can pinpoint card usage patterns and identify marketing opportunities. When you need a report, log in, select the report you want, and click the button to download it. Select reports by BIN, date, report name, or a combination of selection criteria.

PPS also securely delivers reports to you through an automated report delivery system, PPS Mail. As reports are generated we encrypt and e-mail your reports to you. Once decrypted, the reports can be read using Adobe Acrobat Reader and they can be forwarded to others.

### **Document Drop-Off**

Customers can deliver chargeback documentation or other documents online through our secure Document Drop-Off service.

### **ATM**

Our ATM customers can use the ATM Web Portal to access real-time ATM cash positions, and much more from remote locations. ATM journals are accessible from the Web portal for ATMs that support uploads of this data. The portal also provides comprehensive hardware and troubleshooting information.



## Dispute Processing Detail Guide

JHA Payment Processing Solutions (PPS) can handle your credit, debit, and ATM transaction chargebacks and adjustments on a fee-per-occurrence basis or you can handle them directly. If PPS handles your chargebacks, you still work directly with your cardholders to obtain the necessary information and documentation. This ensures that your staff is aware of the status of all disputes and can answer cardholder questions related to them. Whichever option you choose, we don't expect you to be Visa, MasterCard, or ATM experts. Our customer service staff is ready to answer your questions on the dispute handling process.

If you outsource your chargeback/representation activities to PPS we also handle the copy request and required fraud reporting functions associated with dispute processing. You will be assigned a specific chargeback representative at PPS to work with you for all your chargeback needs.

Supporting documentation is delivered to PPS by fax, US mail, or electronically using the Web-based Document Drop-off service. Completed/closed dispute files are returned to the issuer for bond claim processing and record storage.

If you handle your own disputes, you can send your Visa's Resolve Online (VROL) documents to PPS via document drop off, fax, or express delivery. You may also subscribe to VROL and upload your documents directly to Visa.



## Fraud Management Solutions Detail Guide

Credit, debit, and ATM card fraud cuts at the heart of cardholder trust and can threaten profitable services and relationships. JHA Payment Processing Solutions (PPS) works to preserve that trust by offering a wide range of powerful methods to fight fraud.

### *Overview*

PPS' solutions range from authentication and verification methods to neural network scoring and real-time authorization rules at the point of sale. In addition, PPS provides investigative tools and resources to recover fraud losses on the back end.

The following safeguards are available through PPS:

### *PRISM® Neural Network*

PRISM is available to all Visa, MasterCard, and ATM issuers. ATM processing transactions for Visa and MasterCard accounts and ATM standalone cards can also be reviewed by PRISM.

- How it works. PRISM's near real-time network learns cardholder spending habits, recognizes fraud patterns, distinguishes between low and high risk transactions, and creates alerts. PRISM identifies fraudulent activity using a combination of neural network risk models and business rules defined by fraud analysts. It works by rapidly processing huge volumes of data and recognizing patterns.
- Scores and alerts. For each transaction, PRISM computes a fraud score, which is a measure of the probability that the transaction is fraudulent. In assigning the score, PRISM compares the current cardholder behavior with the cardholder's baseline behavior and PRISM's knowledgebase. Activity that exceeds defined thresholds automatically generates alerts. New rules can be installed quickly—system-wide or by the customer. Visa Advanced Authorization data, MasterCard Risk Scores, and CAMS/MasterCard Alerts can be incorporated in determining the overall risk.
- PinPoint™. This tool is used by Fraud Analysts to prevent fraud by identifying common points of purchase or compromise. By using confirmed fraudulent activity PinPoint quickly zeroes in on points of compromise and testing terminals. This early detection enables the blocking of fraud on accounts that haven't been used yet. PinPoint improves detection rates and reduces false positives.
- RulesPlus™. RulesPlus enables Fraud Analysts to test and refine current and future rules based on historical activity and confirmed fraud. It can statistically measure the results of a rule (or a set of rules) in a target or random sample. The rule(s) can then be recursively changed and tested again, until optimally effective. The rule or rule set can then be deployed, with its fraud detection rates and false positive rates already known.
- Customization. When fraud trends change, specific patterns are formed, and PPS makes changes to adjust to these patterns. PPS' Risk Management group has the ability to detect all future authorization attempts matching the new pattern. This allows for the stopping of fraudulent transactions before they are approved. The PRISM system incorporates a "special instructions"

field on accounts where financial institutions can enter notes regarding individual cardholder activity or location. This can apply to items such as travel and other special considerations.

- **24-hour Monitoring.** A staff of Fraud Analysts are on guard 24/7, following up on PRISM alerts. A PRISM alert cites the top three reasons for each alert, which gives fraud analysts clues for follow-up. The analysts review each alert and follow a required course of action (i.e., block the card, contact the cardholder, contact the financial institution). They will use a temporary block or referral status if the cardholder cannot be reached. .

### *Real-Time Advanced Authorization Auto Decline/Auto Block*

Visa card-issuing customers can establish parameters that enable an auto-block feature and/or authorization decline in real-time based on Visa's Advanced Authorization risk score. The score thresholds for a decline or block can be set separately at the BIN level. The decline feature also incorporates a customizable dollar threshold to be used in addition to the score in the decline process. (Institutions have the ability to override restrictions for an individual cardholder, rather than removing restrictions for an entire BIN. They can also set a start and end date for this override.)

Transactions that exceed a chosen threshold result in decline. If an account is blocked, an e-mail notification is sent to the issuer and a fraud analyst. They will then contact the cardholder to confirm fraud or remove the temporary block. The scores are viewable online and in reports.

### *BIN/Account Limits*

BIN/Account limits are available for credit, debit, and ATM transactions. Our system enables you to set spending limits at both BIN and individual account levels. Changes are in real-time. There are up to 14 different restriction categories plus an overall daily total. You can limit daily card usage by dollar amount or transaction velocity. Limits are reset nightly.

### *Name Mismatch Track 1*

Names encoded in Track 1 are matched against our names database for card numbers. Matches are made using the first eight characters of the last name. Failures can be declined, displayed on PPS screens, and reported daily. The names database is regularly updated from the card issue file and it can be maintained online.

### *Address Verification Service (AVS)*

PPS validates AVS for offline and stand-in transactions, as when as online transactions when this is enabled by a data processor. (Otherwise online transactions are validated by the issuer). The service allows for validation when the card is not present, or at pay-at-the-pump gas stations. Addresses are automatically updated through the customer's positive balance file. The ability to perform manual updates is available.

### *Real-Time Authorization Restrictions*

PPS offers authorization restrictions as a tool to instantly shut down fraud attacks on BINs. Authorization restrictions are real-time authorization rules at the BIN level. (Institutions have the ability to override restrictions for an individual cardholder, rather than removing restrictions for an entire BIN. They can also set a start and expiration date for this override.) Each BIN can have up to 32 different restrictions using the data elements listed below.

- **Country/State** Block entire countries or any of the fifty United States.
- **Merchant Category Code (MCC)** Block a category of merchants using an MCC, for example all gas stations, automated fuel dispensers, discount stores, etc. This category has been updated and can now be used together with country/state, amount, or other blocking categories.
- **POS Entry Mode** Block only card present or key entered authorizations.
- **Amount** Block only authorizations for a certain dollar amount.
- **Relative Operator** Use the relative operator function to block only equal to, greater than, or less than, a chosen dollar amount.
- **Merchant Name** Block a specific merchant by name.

The data elements can be used either alone or in combination with one another to block specific fraud trends in real-time. For example, you could create a rule to block only authorizations in Washington State, with MCC 5541, card present POS 90, for authorizations greater than \$20 dollars.

Customizable blocking options allow you greater flexibility when trying to fight back against large fraud trends. Additionally, please remember that you can override blocks placed on the BIN for individual accounts as needed using the *Exclude Auth Restriction* feature on the PowerLink *Positive Limits File* screen or by calling Customer Support.

Restrictions can be updated and become part of the authorization process instantly without waiting for any scheduled system update or release timing. Fraud Analysts are empowered to implement authorization restrictions should a fraud trend attack your portfolio 24x7. PS has the ability to place a system-wide merchant block when large “testing” merchants are identified. Such blocks will protect all BINs whose transactions process through the PowerLink system.

### *smsGuardian™ Text Alerts*

PPS can send transaction alerts directly to cardholders via text message. When cardholders respond affirmatively to unauthorized activity, the information is immediately routed to a fraud analyst for card blocking and follow up, reducing the time window in which subsequent unauthorized transactions could take place. Institutions can select from predefined rule sets regarding when a cardholder is notified; i.e. all transactions, transactions over \$100, transactions out-of-country, and so on.

### *EMV Chip-and-Signature Cards*

PPS offers microchip-embedded EMV (Europay, MasterCard, and Visa) cards, which have been shown to greatly reduce skimming fraud when used with EMV-enabled ATM and POS terminals. Such terminals are commonplace outside the U.S., so cardholders who live or travel abroad will enjoy increased security with these cards. The cards also have a magnetic stripe and can be used throughout the U.S. at any standard ATM or POS terminal.

### *Card Activation*

This is a 24-hour English and Spanish service, by phone, through our ActivateMyCards Web site, or single sign-on from your home banking site. Visa and MasterCard card orders can be activated. Single or multiple validation options can be selected. Options include Caller ID (phone service only), mother’s maiden name, last four digits of the Social Security Number, full Social Security Number, phone number, date of birth, or member number. A Caller ID match can be required when using the phone service, or if blocked, an alternate option can be given.

Failed activation attempts will be referred to the issuer. The issuer can then activate the card manually using PPS’ online system or by calling Customer Service. The issuer can view the caller’s phone number online and in a report. Failures are reported daily.

Previously issued cards can be deactivated when the new card is activated. This feature is available at the BIN or account level.

### *PIN and Verification Code Validation*

A CVV/CVC number is encoded into the magnetic stripe of all cards (encoding of ATM standalone cards available by request) issued through PPS. The CVV/CVC value is validated on all POS 90 authorizations. Failures are declined and alerted to a fraud analyst for review. CVV2/CVC2 is a three-digit number indent printed on the back of cards. The number is issued for verification of transactions that are not face-to-face. A merchant can manually enter the CVV2/CVC2 number to verify a card’s authenticity. Failures are declined and alerted to a fraud analyst for review. Three failed PIN attempts lock the account and the lock-out is reset nightly or manually.

EMV cards have a second three-digit code, the iCVV that provides additional security. If a chip is breached the iCVV is placed on a magnetic stripe of a fraudulent card, transactions are denied.

### *Expiration Date Mismatch*

This service can match the expiration date received in the authorization request against the expiration date on file. Matches must be exact. Matches can be made for all transactions, or all except mail and phone order transactions. A mismatch results in decline and declines are reported daily. Reports are viewable through PPS' online system.

### *Issuers' Clearinghouse Service (ICS)*

ICS is a centralized, national database that contains information on Visa and MasterCard credit card applicants, incidents of fraud, unauthorized use, and bankruptcy filings. This database was jointly developed by Visa and MasterCard.

Issuers are required to report declined and approved credit card applications and accounts with fraud (through PPS' system or direct with Visa/MasterCard). Entering debit card activity is optional. Third-party sources such as authorized vendors, the Social Security Administration, and credit-reporting agencies provide data on Social Security Numbers, valid addresses, home phone numbers, credit card account numbers, and bankruptcy filings. PPS can report all "new approved" applications automatically based on your card issuance file (if requested).

ICS compares cardholder Social Security Numbers, addresses, and telephone numbers with information contained in its files and then creates a confirmation, invalid data message, or an alert.

Included with ICS is the Bankruptcy Notification Service (BNS). Issuers receive notice of applicant and cardholder bankruptcy filings. These notices include account numbers, as well as updates on cardholder bankruptcy dismissals, discharges, chapter conversions, and creditors' hearing dates.

### *Law Enforcement Liaison*

PPS assists financial institutions in communicating with law enforcement. Customers can consult with our security expert who has contacts with the FBI, local law enforcement, the postal service, secret service, and Homeland Security.

### *Lost/Stolen Cards*

PPS accepts lost or stolen card reports using our automated telephone reporting system (English and Spanish), our ReportMyCards Web site (English and Spanish), single sign-on from your home banking site, or by calling our operators, who are available 24 hours per day, every day. We send immediate e-mail notification of blocked accounts. We also send an online update message for those financial institutions whose data processing system can support receiving these update messages.

### *Risk Reports*

A variety of Risk Management reports are available through our OnDemand Web-based system. New reports are constantly being added as the need arises. These reports are produced seven days per week based on the previous day's activity. Reports include:

- Accounts Excluded from Auth Restriction
- Accounts with Daily Limits
- Accounts without AVS Data
- Activated Accounts without Activity for 30 Days
- All Cards not Activated After 30 Days
- Authorizations for \$1 or Less
- Authorizations for Car Rental Agencies
- Authorizations Over \$1,000 or more
- Authorizations with Invalid Expiration Date
- Authorizations with CVC Failures
- Authorizations with CVV Failures
- Auths of \$1.00 or less Followed by three or more Auths
- Auto Blocked by CAMS Alerts
- Profile Risk Parameters
- Card Activation Attempt Failures

- Cardholder Deposit of \$500 or Above at Foreign ATMs
- Cards Reported Lost or Stolen
- Compromised Card Edit Report
- CRB Region Exception File
- Credit Transactions Greater than \$100
- Daily Stop Recurring Payment Activity
- Declined Authorizations
- Declined Authorizations Analysis
- Declined Authorizations Based on Visa Risk Score
- Excessive Usage (five or more authorizations)
- Foreign Country Authorizations
- Foreign Country Transactions
- Fraud Analysis Block
- Internet Gambling Authorizations
- Issuers Clearinghouse Reports
- Key Entered Authorization Requests
- Large Transactions \$2500 and Above
- Online Activity by UserID
- PRISM Alert Detail
- PRISM Blocked Card
- Risky Merchant Authorizations
- Risky Transactions
- Security Profiles
- Suspect Fraud Inspection Items
- Suspect Transactions
- Track 1 Name Mismatch
- Track 1 Name Mismatch File Exception
- Track 1 Name Mismatch No Name on File
- VBV Attempt Failures

### *Verified by Visa/MasterCard SecureCode*

PPS supports both Verified by Visa (VbV) and MasterCard Secure Code systems. These are designed to secure Internet transactions for issuers, merchants, and cardholders. They closely replicate the “card present” environment you have between a store merchant and a cardholder.

Both tools provide password-protected shopping. Cardholders can self-enroll or enroll while shopping. Financial institutions can force enrollment for cardholders shopping at participating merchants, review failed enrollments online, and receive reports of failed enrollment attempts. Cardholders are locked out after five failed enrollment attempts.

### *Visa Preauthorized Payment Cancellation Service and MasterCard Recurring Payment Cancellation Service*

These services allow for the stopping of a one-time payment or recurring payment. Recurring payments include those from a specific merchant, all recurring payments, or recurring payments by Merchant Category Code.

## *Compromise Event Management*

PPS can automatically receive and upload a list of compromised cards from the Visa Card Alert Management Service (CAMS) and MasterCard Alerts. Financial institutions can also upload this data to PPS. We use this information when reviewing transactions for fraud in our PRISM neural net and for dispute processing. We can also mass block cards received in the upload file with the status of your choice. PPS can also generate letters to be sent to the cardholders.

## *Summary*

When used strategically, the array of fraud management tools available to PPS customers can effectively minimize losses and protect cardholders. Services such as real-time implementation of Auto Block/Auto Decline, authorization restrictions and neural network detection can often stop fraud immediately or prevent it entirely.

Because criminals use a number of techniques, effective prevention may require more than one type of defense. We encourage customers to educate themselves about the options available and make maximum use of the safeguards available.



## Extra Awards Detail Guide

### Overview

#### *Program Participation Options*

Program flexibility is a key factor in promoting an awards program. Since you know your account holders better than anyone, you select the program and features that appeal to them.

- Choose a Travel program, a Gift Certificate program, Cash for Points, or all three.
- Create special awards category for unique rewards or charitable contributions.
- Set your time limit for point expiration.
- Set monthly/yearly point maximums or choose unlimited.
- Choose monthly or quarterly frequency for electronic or paper statements and/or e-statements.
- Use our standard point scheme or customize it.
- Household points for all products or keep programs separate.
- Choose card-by-card participation or enroll an entire BIN.
- Accounts can participate with or without a card relationship.
- Points can be earned on nearly any type of transaction or relationship.
- Create custom bonus points programs and promotions.

#### *Customer and Account Holder Information*

General program information is available via a custom link from your Web site 24/7 or by calling our Awards Redemption Center toll-free at (877) 909-1450. From outside the U.S. or Canada, call (206) 352-3478, collect. All services by phone are available Monday through Friday, 6 a.m. to 6 p.m., PST. Callers may still redeem points for travel and gift certificates on Saturday from 6 a.m. to 6 p.m., PST.

Each participating account holder who visits the Web site must register when visiting for the first-time (unless he or she has already logged in to a single sign-on online banking system). During registration, the account holder will be asked to create a permanent user ID and password. No card information is present on the Web site.

A registered account holder will be issued a Loyalty Account Number (LAN)—a unique number that identifies the account in the loyalty software program. It is recommended that customers encourage their account holders to make a record of this number and keep it handy. The LAN allows the cardholder the comfort of speaking to an Awards Redemption Center representative without needing to provide a card or member/account number.

Participants can access the services below through our toll-free number, collect number, or Web site:

- Awards
- Point information—current balance, previous statement summary and daily activity
- Points due to expire
- Program rules
- Redeem points
- Award fulfillment status
- General program questions and answers

All other requests will be referred to the financial institution.

### *Account Structure*

If your program is set up for householding and an account holder record is received in the Awards Maintenance File, the import routine will look for a matching account number in the awards system. If a match is found, the existing awards loyalty account record will be updated to include the new record. Card reissues can therefore be automatically accommodated through the account number. This routine is only applicable within a program. If a duplicate primary account number record is received in these files (one primary account record with multiple card or relationship records), points will automatically be applied to the loyalty account. If an account number match is not found, a new loyalty account record will be created in the awards system.

If your program is not set up for householding, all card numbers will create separate loyalty accounts. When a card is reissued with a different card number, points must be transferred manually.

### *Point Value and Expiration*

Points are earned for every qualified purchase. You choose the point-to-dollar ratio. Options include: 1 point per \$1, 1 point per \$2, 1 point per \$3, or 1 point per \$4, etc. Certain transaction types including cash advances, most quasi-cash transactions, and account funding transactions do not qualify.

Different point earning valuations may be selected for each program, and for each product listed under a single program. PPS allows signature-based transactions to earn points at a different rate than PIN POS transactions. This is particularly beneficial to debit card programs where the issuer is offering points for both signature and PIN-based transactions.

You can run special bonus periods where more than the standard point-to-dollar ratio is earned for every dollar spent by merchant category code, merchant name, or according to other criteria, or award one-time bonus points. The financial institution is responsible for communicating customized point values and bonus point promotions.

You can choose a specific number of months before expiration, or no expiration date at all. For example, if you set the expiration for 24 months and begin awarding points in January of 2008, any remaining unused points earned during that month would expire at the end of the first statement cycle in 2010. You can also set program points to never expire. Expiring points will be identified to the account holder up to three statement cycles prior to point expiration.

You can customize the program by setting monthly or yearly maximum limits.

Points expired and points yet to expire are included in the electronic statement file, e-statement notification, and are accessible through the account holder Web site.

### *Point Tracking*

PPS tracks and updates points daily using the incoming Visa/MasterCard transaction file, or a transaction file provided by the customer. Points are calculated using point accrual rules as established by the customer. Points can also be added by sending a relationship point file. This is a file that gives an account holder points for adding a new account, loan, or other service.

PPS may receive transactions that have no corresponding account information. The financial institution is responsible for submitting correct information to PPS. Points without corresponding account information are not included in your account holder statement file until the account is established. You can make point adjustments to accounts by transmission or through Web access.

### *Statements*

Activity statements may be electronically transmitted by FTP to you on a cycle date of your choice (Example: a cycle 19 file includes data up through the 18th). Multiple statement cycles can be supported within a single program using data provided in the Electronic Monthly Maintenance File (EMM/EME). An

electronic statement file can be created either monthly or quarterly. File specifications are available upon request.

If you prefer, you may refer account holders to the awards Web site for statement account information.

E-statement notifications are also available for an additional cost. If you select the e-statement option, account holders may opt-out of e-statement notification when registering their awards account, or by visiting the Contact page on the Web site and de-selecting e-statements.

PPS also offers awards statement printing services.

Please contact our implementation coordinators at (800) 881-7488 with questions.

### *Administrative Web Site*

An administrative Web site is available for your support staff to look up awards, point levels, point usage, account summary, points due to expire, and order history. The site also provides program details, complete with access to redemptions for gift certificates, rebates, FI Awards, and cash. PPS supports view-only and update access levels.

### **Award Options**

#### *Gift Cards and Certificates*

PPS has contracted with Loyalty Innovations to offer wide ranges of gift certificate, event certificate, or entertainment certificate rewards.

Upon program set up, you can choose among several gift certificate levels. Gift certificates range in value from \$10 to \$500.

Available merchant categories include:

- Car Rental
- Electronics
- Entertainment
- Gas
- Hotel
- Online
- Restaurants
- Retail
- Recreation/Leisure

#### *Travel Services*

PPS offers your account holders worldwide air travel with fewer restrictions than other programs. Since points are not tied to a specific airline, account holders enjoy more flight options. A variety of domestic and international air travel (U.S. origination) options are available. You may choose one, two, three, or all four travel packages shown below when setting up your program.

Travel reward packages include:

*ValuePass™* includes a selection of coach airline tickets with select destinations originating from the 48 contiguous states and select cities in Hawaii (including one-way and roundtrip Hawaiian inter-island tickets) and Alaska. Reservations may be requested up to 300 days in advance but must be made at least 30 days prior to departure date and must include a Saturday night stay. Tickets selected are based upon the Lowest Available Published Fare (LAPF). Tickets must be booked on major U.S. carriers as listed in the Global Distribution System. Various maximum values (aka caps) are available depending on the selected destination and range from \$340 for a ticket within the U.S. 48 states and Canada to \$2,300 to Australia or New Zealand. The cost of each ticket may not exceed the maximum cap value and payment of any ticket difference is not permissible.

*GoldPass™* includes a selection of free round-trip First, Business, or Coach Class airline tickets from the United States (U.S. 50 states) on major U.S./Foreign airline carriers as listed in the Global Distribution System. Tickets can be requested up to 300 days in advance of your trip. A minimum of 14-day (U.S. destination) or 21-day (International) advanced notice and maximum 30-day stay is required. All tickets are subject to availability and must include a Saturday night stay. Maximum ticket values (aka caps) range between \$350 and \$1,250 for tickets within the 50 U.S. states, \$500 and \$1,250 from the 50 U.S. states to international destinations, or a free any-class airline ticket to anywhere in the world with a maximum value of \$4,000 are available. The cost of each ticket may not exceed the maximum cap value and payment of any ticket difference is not permissible.

*FlexPass™*. Receive a travel discount toward the purchase of an airline ticket on a major carrier as listed in the Global Distribution System; or apply this travel discount toward the purchase of a package tour or cruise. No restrictions. Any unused value is forfeited. FlexPass travel discounts range from \$100 to \$3,000. If the cost of the ticket, package or cruise is more than the travel discount, the account holder may pay the difference. Discounts toward a vacation or cruise package are not available through the online booking tool. Please contact a travel agent directly to apply a discount to these options.

*AllAccess™*. Airline ticket requests are displayed based upon your current point balance - there are no preset award levels. Tell us when and where you want to go, and all qualifying ticket options are displayed based upon your total number of available points. You enjoy the freedom of selecting an itinerary that best meets your needs, from the fewest required points to the most points required. There are no restrictions or advance purchase requirements, however it is recommended you book as early as possible to maximum your options. Tickets must be booked on major U.S. carriers as listed in the Global Distribution System. Ticket options are determined by multiplying your current point balance by a factor determined by your financial institution.

### *Rebates*

The Rebate option can be used to pay for travel or travel-related services that were paid for using the account holder's participating card or account. This adds travel flexibility for those who desire to book their own travel. Participants redeeming must have the required number of points for selected rewards. Special requests will be referred to the financial institution for approval.

Rebate is separated into two categories—Travel and Cruise. Available dollar increments for each category include \$100 and \$500.

### *Cash for Points*

Cash for Points offers the option to use points for cash. You can choose to offer one or more of twelve different cash levels (ranging from \$15 to \$1,000) to account holders who value cash above other rewards.

Each financial institution chooses the delivery method—checking, savings, credit card, loan payment, or check. A cash redemption request is processed by PPS, which includes deducting the required number of points. The awards system automatically generates an electronic request to the financial institution with the participant's information, and a daily report is generated summarizing all Cash for Point redemptions.

The financial institution is responsible for delivering the cash award to the redeeming participant.

### *FI Awards (also called "Extras")*

FI awards are unique offers that each financial institution can create and include in the Extra Awards program, but fulfillment is handled by your staff. Promotional materials, merchandise, incentives, certificates, and inquiries regarding FI awards are the responsibility of the financial institution.

Examples of FI awards are:

- Contribution to named organization (for example, a charity or school). Any tax implications that result from issuing cash and/or facilitating a donation to a charitable organization are the responsibility of the issuer.
- Financial institution branded gift card (generally Visa or MasterCard)
- Logo merchandise

- Loan incentives
- Run a promotion to award points for new accounts for transferring balances to from other cards.
- Account incentives
- Local merchant gift certificates

## Using Points

### *Account holder Web site*

PPS offers a user-friendly Web site where account holders can view information about their points, review program details, or redeem for a variety of reward options. You may choose to use the standard layout, or customize the account holder experience by incorporating some aspects of your home banking site into the Awards site.

PPS supports single sign-on functionality from within your secure home banking page. A financial institution can request single sign-on to fulfill registration requirements. Otherwise, account holders must register when accessing their awards account for the first time when using a single sign-on interface. Contact our Implementation staff for more information. ([implementations@weknowpayments.com](mailto:implementations@weknowpayments.com))

### *Toll-free Account holder Support*

Participants can call PPS' Award toll-free number (collect from outside the U.S. and Canada) to request information or to redeem points.

### *Gift Certificate Awards*

Account holders exchange points directly by selecting from popular, brand-name gift certificates. To redeem points, account holders simply log on to the awards Web site or phone the Awards Redemption Center, choose the desired certificate or gift card, select quantity, and complete the redemption request form. Gift certificates are typically delivered within 7-10 business days (U.S. only).

Award cost includes shipping and handling within the 50 United States. Each order valued at more than \$299 will be sent by secure shipment with insurance at an additional cost to the financial institution.

### *Travel Services*

PPS works with an established, competitive travel partner to administer our standard travel services.

When enough points are accumulated for a travel award, the account holder can go to the awards link on your financial institution's Web site 24 hours a day and use the online booking tool or call the redemption center toll-free at (877) 909-1450 from 6 a.m. to 6 p.m. Pacific Time, Monday through Saturday. If the points are available and the account is in good standing, we debit the points. The Awards Redemption Center books the airline ticket. A copy of the travel itinerary is sent electronically to the redeemer, followed by a mailed hard copy. Award cost is billed to your monthly PPS invoice.

Please refer to Fee Schedule A2 - Awards Program Services for pricing.

### *Rebates*

To redeem for a rebate, participants may contact PPS, the financial institution or redeem online and remit certain supporting documentation (if applicable) to the Awards Redemption Center. The participant must charge the entire amount of the travel-related services to the same account from which they're redeeming points. An electronic request will be sent to the financial institution, requesting credit, after all qualifications have been met.

You may require supporting documentation from the account holder or waive it. Requiring supporting documentation helps to ensure that the requesting account holder used the participating card to pay for the rebated travel services.

### *Cash for Points*

Account holders submit a Cash for Points redemption request through the program Web site or by calling the toll-free support phone number. An electronic notification is sent to the card issuer after the account

holder has successfully redeemed points for a particular cash amount. The card issuer must then post a credit to an internal account (savings, checking, loan payment, or credit card) or cut and deliver a check to the account holder.

### *FI Awards (Also called "Extras")*

Procedures for your program will be based on your requirements. PPS provides a report telling you how to distribute funds or discounts per your request.

### **Air Ticket Insurance**

PPS awards account holders have the option to purchase trip cancellation insurance on any awards-based airline ticket or purchased companion airline ticket obtained through the program travel agency. Travel Net Air Protection, offered through Travelex, rescues travelers who might otherwise be forced to forfeit the cost of a ticket or incur hefty change fees.

When purchasing ticket insurance, emergency assistance and travel services are just a phone call away from virtually anywhere in the world with just one toll-free phone number. You have access 24/7 to a wide range of services such as Visa requirements, cash transfers, assistance with lost tickets or passports, local medical care, international dining suggestions, and much more.

### **Reporting**

The financial institution will receive electronic reports containing program information. See the OnDemand Users Guide for a complete listing of reports and frequency.

### **Set-up**

PPS requires a 90-day lead-time for set-up, testing, and development of collateral materials. Contact your account manager to get started.

We charge a modest start-up fee to cover program set-up, testing, implementation, and standard Web page development. Additional charges apply for customized programs.

### *Account holder Maintenance Files and Electronic Statement Information*

See the Connectivity and File Transfer Detail Guide.

### *Transaction File (non-processing customers only)*

Non-processing customers will work with our Implementations staff to provide a transaction file. This will be the source for the transaction-to-points conversion process. A file layout will be provided upon request.

### **Marketing Collateral**

#### *Brochures*

PPS provides a participant brochure outlining the Awards program and rules, for a charge. Your logo will be printed on the back panel in black and white. To order brochures, contact our Implementation staff at (800) 881-7488 or see the order form on our Web site at [www.weknowpayments.com](http://www.weknowpayments.com), or you may print your own brochures. See the awards brochure order form for printing instructions and specifications.

We will keep a small quantity of the brochure order and use them to fulfill participant requests received by our customer service representatives. PPS will mail brochures and gift certificate listings directly to the requesting participant for an additional fee.

Brochures require an approximate four-to-six week lead-time. When placing your order, forward your financial institution's logo to the assigned Implementation Coordinator at [extraawards@jackhenry.com](mailto:extraawards@jackhenry.com). We require a minimum logo image resolution of 300 dpi. The logo can be formatted as an EPS, Freehand, Illustrator, TIF, or JPG file.



## JHA Payment Processing Solutions

### *Company Background*

JHA Payment Processing Solutions (PPS) is a wholly-owned subsidiary of Jack Henry & Associates,

Selected milestones in the development of our company:

- 1936. Founding of the School Employees Credit Union of Washington.
- 1950. Founding of PEMCO Corporation to perform centralized accounting and financial services.
- 1991. PEMCO Corporation begins Visa card processing with the PowerLink system.
- 1999. The company begins offering MasterCard processing.
- 2000. Pemco Technologies splits off from PEMCO Corporation to focus on transaction processing.
- 2001. The company begins offering ATM and POS processing.
- 2003. ATM driving services begin.
- 2009. Jack Henry & Associates purchases Pemco Technologies
- 2010. Pemco Technologies is renamed JHA Payment Processing Solutions.

Today PPS offers payment solutions for a wide range of customers nationwide. We have won numerous industry awards for performance and service.

Our mission is to provide quality payment solutions to financial institutions.

PPS' solutions include credit card processing, debit signature processing, PIN-based processing, ATM services, cardholder award programs, fraud management/detection/prevention, and gift card programs.

Our dedication to service and flexibility enables customers to efficiently achieve their strategic goals.

### *Implementation/Conversion Support*

Implementation support includes information gathering; coordination of VPN; paperwork submission; key management; and running test files. This is provided at no cost to you.

PPS will assign a coordinator to work with you throughout the implementation or conversion process. Our coordinator works closely with your staff, current processor, data processor, ATM provider, our internal staff, and any other vendor involved for a smooth, trouble-free conversion. We'll prepare any required Alaska Option, Visa, and/or MasterCard materials and submit them.

### *Time Frames*

The goal is to ensure proper set-up and testing of all needed files prior to your conversion. In most cases, this implementation process takes three to four months.

### *Project Plans*

Our implementation coordinator will work with you to develop realistic timelines based on your needs. We'll provide a project plan and status reports upon request.

## *Training*

### **Initial (On-Site) Training**

Onsite training is a standard part of the PPS conversion process. There's no charge for training time, training materials, or travel expenses related to your implementation/conversion. We tailor the training to your financial institution and schedule it to have the least amount of impact on workflow and cardholder service needs.

### **Ongoing Training**

As your needs change (new products, upgrades and enhancements, system changes), we'll change with you and provide the information and training you need.

### **Customer Service**

You can easily reach our customer service staff via our toll-free number, 800-881-7488, from 5:00 a.m. to 6:00 p.m. Pacific Time, Monday through Friday. For a quick response, the first available representative answers your calls. Any of our customer service representatives can assist you.