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Hyatt Regency
Chesapeake Bay
Cambridge, MD******For comments
or suggestions
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TRANSFIRST In Focus

Insightful. Innovative. In depth.

Merchant Cash Advance Program

TransFirst released Merchant Cash Advance in August. The Merchant Cash Advance can be the perfect compliment to financial institutions' existing funding options. Moreover, the ability to fund previously unattractive customers sustains these DDA relationships, the backbone of your business. This product can be very timely considering the current economic conditions in the marketplace.



A merchant cash advance is a fast and easy way for small and mid-sized businesses to obtain working capital by tapping into a hidden asset, their future credit card sales. This product is aimed at giving your merchant a back up opportunity at obtaining a loan should your bank choose not to offer your customer a loan.

Having made a commitment to establish market differentiating products that will help our merchant customers grow their businesses in competitive markets and help our partners offer products that provide additional revenue streams and create longevity in their relationships, TransFirst has partnered with AdvanceMe, Inc (AMI), the nation's leading provider of Merchant Cash Advances for small and mid-size businesses, to offer this program.

Through this innovative offering, merchants can access up to \$150,000 per location by selling AdvanceMe a portion of their future credit card receivables. AdvanceMe provides the merchant with the desired funds within 5 business days, and the merchant settles on the advance automatically, as TransFirst sends a portion of each batch to AdvanceMe on the merchant's behalf.

With the working capital we provide, merchants have easy and quick means for financing an array of business activities such as:

- opening new or remodeling existing locations
- purchasing new equipment or inventory
- funding advertising and promotional programs
- managing unexpected expenses

Merchants pay towards the cash advance from a portion of their credit card receivables



We are holding an additional training geared to lending personnel November 10th at 9:00 am MST

Debit Transactions

Merchants should never be attempting to void debit transactions. The following are tips on handling debit cards and voids:

1. PIN-based debit authorizations move money immediately from a cardholders account upon approval.
2. PIN-based debit authorizations cannot be canceled, voided, or reversed.
3. Even if a merchant's terminal appears to have successfully voided a debit transaction, it has not. A receipt will print and state "void" on it; however, the only thing the merchant has succeeded in voiding is the merchant's payment portion, the capture.
4. If a merchant has approved a wrong amount their best option is to give the cardholder cash or a check refund immediately before running another transaction. The first authorization will always charge the card holder and will remain unmatched on our exception reports.
5. Debit authorizations do not expire like credit authorizations. Once a transaction is approved there is no retracting it.
6. Even if a merchant never presents a receipt for settlement, the authorization will always result in a charge to the card holder and eventually lead to a chargeback.
7. A merchant processing a credit card credit on a debit transaction does not resolve the matter. An exception of monies will still exist that will require manual adjusting. The merchant in essence has returned the monies that the merchant was not paid for.



PCI ABC Follow Up



88% of all merchants fall in level 4, which are small mom and pop merchants ranging in volume from \$10-\$50,000 per month. These merchants are prime targets for crooks because they usually don't have the protection they should have to prevent a compromise. Therefore, TransFirst has selected the education process as the best way to help merchants with due diligence at obtaining adequate protection.

Merchant levels 1-3 have to validate their compliance. We have about 130 merchants today that are set up to do validation. We monitor them at TransFirst. The rest of the merchants are level 4. There are fines for a credit card compromise, which cost approximately \$8-10,000 to investigate. They average about \$20,000, and in the compromise case of TJ Max was about \$2 million. Level 4 merchants are required to be compliant. They can have the data locked up, have encryption on the website, and validate their POS vendors they are using (i.e., hosting companies, gateways, etc). The merchant is responsible if the vendor gets compromised, which is why it is so important for merchants to use PCI compliant vendors.

We have developed three inserts to help educate merchants.

The first insert is set to go out in the November statements. It is only a reminder of merchants obligation to protect credit card data.

The second insert will go out in December. This talks again about PCI compliance, Visa and MasterCard requirements, overviews, lists links to Visa and MasterCard websites, talks about taking steps to educate themselves, and talks about Security Metrics our PCI vendor of choice.

The third insert will go out in January 2009. It talks about PCI validation. It also suggests the merchant complete the process. Security Metrix is listed as our preferred vendor, but the merchant can select any certified vendor. If the merchant is interested in working with Security Metrix, a fax back form is included to start the process.

ABC Chargeback Q&A

Q: Does the merchant need to get an imprint of the card on keyed transactions even when they have a printed receipt from the terminal for the cardholder to sign?

A: Yes. Have the cardholder sign either the imprinted receipt or the terminal printed receipt but always get the imprint on a keyed card when the cardholder is present.

Q: How does a bank request a customized receipt footer, such as the merchants refund policy?

A: You can write this request in on the Terminal Setup Options Form in special instructions.

Q: Are there differences in the chargeback procedures for Cash Advance locations versus Retail locations?

A: No, there are differences in the transaction process but not in the chargeback procedure.

Q: What is the number of characters available to customize on the footer of terminal receipts?

A: This answer will vary depending on the terminal and the application loaded to it. Here are two examples: T7Plus SPOS 4 lines 23 characters each and Omni Vx570 4 lines 40 characters each. Contact your account manager for additional terminals.



FYI's and Reminders

TC FAQ's question clarification: Here's a further description of the answer to the last question in September's FAQ section. TC exports the Transaction Detail Report instead of the Settled Detail Report. If an excel report of only settled transactions is needed, you can choose Transaction Detail Report, and choose "closed" in the status field. This will pull only settled transactions and will export into Excel.

New equipment order form: Be sure you have the new form emailed out on 9-9-2008. Contact your account manager if you haven't received this updated form.

Merchant Statement Enhancements: We have made some enhancements to the merchant statements. The biggest change that your merchants will notice is that the statement is printed on front/back and there is a font change.

Fall Client Conference: Don't miss this year's client conference as we launch new ideas for future success through Trust-Innovation and Collaboration!

Representatives from all card associations have been invited to share their insight in a panel format which will give you the opportunity to hear what is happening at the association level and you will be given time to ask questions that affect all of our futures! TransFirst has made a decision to hold the Financial Institution Conference every other year instead of annually. Our next conference will be held in the Fall of 2010.

