



# SigALERT

We want to extend our love and hearts to everyone affected by the incomprehensible tragedy in Las Vegas. We hope that during this somber time we all stand strong together, find peace, and be kind to one another.

A quarter has passed since our last issue, and a lot has happened in the world of payments. You'll find this issue of SigAlert loaded with information as we are covering many of the exciting developments that took place this summer.

So let's get started, shall we?

## News And Updates

- Signature's G2 fee is in effect and is posted on the merchant statements.
- VX520 is now available at Signature! It can be ordered through our Free Terminal Program or purchased for \$180.
- VISA has extended the deadline for its Purchase Return Authorization mandate to October 2018/April 2019 depending on the size of the processor. TSYS will be enabled to support the purchase return by October 14, 2017.
- It is expected that by April 2018 VISA will reduce its claim resolution processing time from 45 to 30 days. We will be sharing the details with you as they become available.
- June 30, 2018 will be End of Support for Protocols SSL 3.0 and TLS 1.0, and all POS applications and devices must be remediated to TLS 1.1 or 1.2 with the latter being preferred.

## MasterCard BIN-2 Mandate

First, a little background. BINs, also known as Bank Identification Numbers, are the first six digits of a credit card account number. They identify the issuing institution for the account and ensure that each transaction is routed correctly. As you may know, MasterCard has received an additional range of 2-series numbers to add to their existing 5-series numbers. Transactions in the 2-series will be processed the same way the 5-series numbers are processed. As part of its mandate, MasterCard required all merchants to be able to accept 2-series numbers by the June 30, 2017 deadline. It is critical that merchants comply with that deadline because MasterCard has already been deploying secret shoppers to random merchants to test their ability to process 2-series numbers. Merchants who are unable to do so are being assessed hefty fines by MasterCard.

Fortunately, Signature has been hard at work preparing its portfolio of merchants for the changes caused by the MasterCard Bin-2 mandate. We've been replacing terminals and updating terminal applications, depending on the type of the terminal involved. While this whale of a project is nearing its completion, we've still got a handful of merchants left to transition. To find out if any of your merchants are not compliant with the MasterCard Bin-2 mandate, please email us at [downloads@signaturecard.com](mailto:downloads@signaturecard.com). Your help in completing this arduous task is greatly appreciated!

## TSYS Quarterly Visit. Successes and Opportunities

On September 7th, our TSYS relationship management team was at Signature's HQ in Burbank for their quarterly visit. During the visit we discussed some new value-added services we are now able to offer our merchants and TSYS shared with us several important developments and some exciting opportunities for our merchants. As a result, we'd like to announce that:

1. The AMEX ESA conversion was completed on September 1, 2017.
2. In a few short months, we will be offering qualified merchants Account Updater.
3. Micros connections through Freedom Pay, Merchant Link, and Shift4 have been established.
4. Lodging applications are now available for Equinox (Beta Class A).
5. A new Discover incentive program is now available (details below!).
6. TSYS will be implementing long-awaited enhancements to its Rolling Reserves in 2018 (details below!).

## TSYS Reserve Funding And Rolling Reserves

Rolling Reserve is a critical risk management function and a tool that allows us the ability to process for special risk merchants. Using Rolling Reserves, we collect a certain % of a merchant's processing and hold it for a period of time determined by underwriting (typically, 6 months or the length of liability). When that period is over, we start releasing reserves in the manner that they were collected, i.e. in the 6-month scenario, the amount held on month 1 would be released on month 7 and so on. That's how we have been managing Rolling Reserves since our inception, on First Data. Currently, TSYS has a slightly different method of collecting and releasing Rolling Reserves. Rolling Reserves on TSYS are held and released on a daily basis with a "first-in, first-out" approach, where in a seven-day scenario, the amount reserved on day 1 would be released on day 8, etc. This particular method doesn't work best for Signature's risk management strategy. As a result, during conversion, we had to re-structure merchants' reserves and move them to a permanent reserve. In the effort to better serve our needs, TSYS subsequently placed the enhancement to their Rolling Reserves process on their roadmap to take effect in 2018. Among other features, the enhancements will allow us to hold and release reserves on a monthly basis.

## Heads Up: Discover Incentive Program

If some of your merchants don't accept Discover cards, now's the time to help them change that! Aside from the growing popularity of the card among consumers, Discover Network just made it even more attractive for merchants to accept Discover cards with the implementation of their new Discover Incentive Program. Through this new program, merchants who either don't accept Discover cards or haven't accepted them for the past 6 months, will be generously incentivized if they start accepting Discover cards. For example, if your qualified merchants start accepting Discover cards, the network will pay them a 3% monthly rebate on Discover transaction fees for a year. We have a scheduled call with our Discover representative next week and will be able to give you more information on the program after that call.

## You Have More Control Over Faster Approvals Than You Think

We understand how crucial it is for you to board your merchants as fast as possible. While we are always trying to make our process more efficient, there are some things you can do to help expedite the process. Here are some helpful tips you can employ to speed up the boarding of a merchant:

- Make sure the Merchant Application is complete. This means that every question needs to be answered. Common unanswered questions include: the merchant's state of incorporation, Cardholder Data Storage Compliance questions, questions pertaining to a merchant's prior bankruptcy (if there is no prior bankruptcy, that must be specified on the application), the principal's driver's license number, the principal's street address, and the street address for the merchant's business.
- Make sure the questions in the Merchant Application are fully answered. For example, it is not sufficient for the merchant to describe their refund policy as "full refund." The merchant's entire refund policy including, any conditions to return (i.e. only unused products can be returned), timeframe to receive a refund, and the method for the refund (i.e. store credit) must all be listed in the Merchant Application. Additionally, the merchant must list exactly what goods/services they are accepting credit cards for. Non-specific answers such as "various stuff" is not sufficient and will result in a delay in boarding your merchant.
- Make sure that full and complete Merchant Applications AND Merchant Agreement are submitted to underwriting.
- Make sure the Merchant Application makes sense. Too often we see Merchant Applications where various questions contradict each other or just don't make sense. For example, you should expect an e-commerce merchant who has been in business for over a year to have had prior processing. If the merchant states on their Merchant Application that they have not, you should inquire as to why. Good rule of thumb: if you see something that doesn't make sense, ask the merchant for more information or clarification.
- Don't cross out any provisions of the Merchant Application or Merchant Agreement.

## Help Desk Fees Are Avoidable

Processors' Help Desk fees are substantial, but they can be easily avoided! If you give us a call before you call TSYS or FDR, we may be able to answer your questions. We are here Monday through Friday, from 7:30 AM to 6:00 PM PST to help you and your merchants address all terminal-related issues.

## Introducing Natalie Aviles

Natalie Aviles is the newest addition to the Signature Team and comes to us with 9 years of experience in the payments industry. She is our first ever Special Projects Coordinator and has been working closely with Anthony Urquidez, our Senior Vice President of Operations, on several projects including AMEX ESA conversion, EnsureBill, and VPP Small Ticket Program.

## Where Are They Now?

As some of you may already know, Deneen Whitaker has stepped down from her role as our Assistant Vice President of Risk in order to pursue her higher education. But fear not, Deneen is still part of the Signature family- while she finishes up her degree in Psychology, Deneen will be managing our portfolio monitoring.

We are happy to announce that Ebony Bullock, our Risk Analyst, gave birth to a beautiful and healthy baby girl named Marlaya on September 19th. Ebony will be on Maternity Leave taking care of her adorable baby girl until the beginning of January.

