

PULSATIONS



Bringing Value to Electronic PaymentsSM

Introducing *Perks Everyday*SM Rewards Program Helps Debit Issuers Build Customer Loyalty

PULSE Debit Solutions[®] and Discover[®] Debit customers now have a new alternative for a debit rewards program: *Perks Everyday*. This new offering, introduced by Discover[®] Network and PULSE, will help financial institutions overcome the complexity and expense involved in establishing a rewards program.

Financial institutions are increasingly turning to rewards to enhance the value of their debit card programs. According to PULSE's 2007 Debit Issuer Study, 37 percent of debit issuers offered rewards programs to some or all cardholders in 2006, and another 20 percent are considering offering rewards. And it's no wonder; institutions that offer points-based programs have seen an average increase of 25 percent in debit card transaction activity, according to the study. Debit rewards programs can have other benefits as well, such as helping to build brand loyalty and customer retention.

In addition to the growing focus on debit rewards, many financial institutions have expressed an interest in a more holistic approach to rewards that broadens programs beyond traditional points and airline miles. With such programs – sometimes called “relationship-based rewards” – cardholders accrue rewards points for multiple aspects of their relationship with the financial institution.

Three Options

Perks Everyday is designed to drive cardholder loyalty and generate revenue through increased card usage. This easy-to-implement rewards program is available in three program and pricing levels to meet the needs of all financial institutions:

Basic Perks is a turnkey rewards program for signature debit transactions that includes self-select or automatic cardholder enrollment options; standard rewards offerings of gift cards, merchandise, travel and charitable donations; and a standard earn rate, annual point cap and expiration term.

Co-branded Perks includes all the features of Basic Perks plus a Web site with combined issuer / *Perks Everyday* branding, interactive voice response (IVR) scripted greeting and options for annual fee reporting, bonuses and PIN transaction rewards.

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Data Security Best Practices Two-Part Series Offers Tips, Recommendations

One only has to glance at the financial industry headlines to know that payment card fraud is increasing worldwide. Ninety percent of the debit card issuers that participated in PULSE's 2007 *Debit Issuer Study* have been notified in the last few years that their cards may have been compromised in a merchant data breach. These issuers reported that, on average, eight percent of their card base was potentially affected.

In light of the growing focus that financial institutions place on fraud prevention, PULSE

has developed a compendium of recommendations from security experts and best practices utilized by financial institutions across the country. These recommendations, designed to help participants enhance data security and reduce fraud, will be presented in a two-part series published in consecutive issues of *PULSATIONS*.

The Human Element

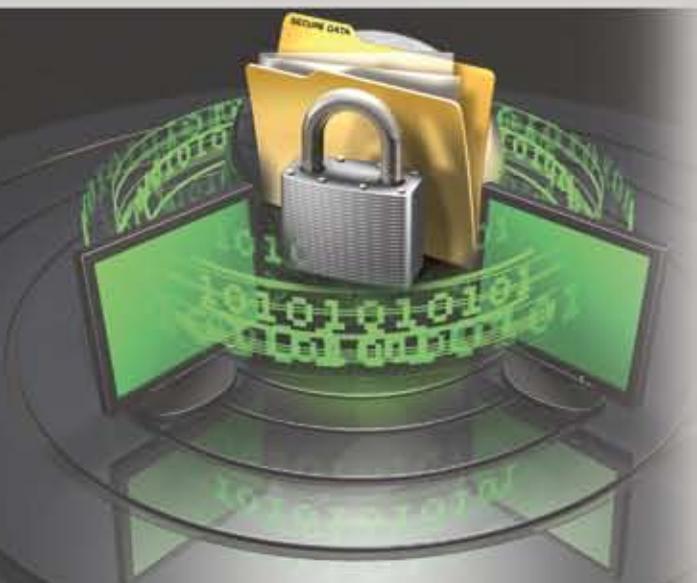
Financial institutions are well aware that, while restricting physical access to computers, servers and other hardware is necessary, it is not sufficient to protect companies' or customers' sensitive data. Access to data and software also must be carefully restricted and continuously monitored.

One of the most basic safeguards employed by financial institutions and

other companies is the enforcement of stringent password policies that require all employees to use strong passwords (code phrases containing a combination of at least eight letters, numbers and symbols that would be nearly impossible for anyone to guess), and to change them periodically (typically every 30 to 90 days).

The human element is also an important factor in data security. Most financial services companies perform background checks and drug screens on job candidates. Stringent pre-employment background checks should include confirmation of identity, qualifications and previous employment details, as well as credit report and reference checks.

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Dave Schneider

“One of the preeminent weapons in the fight against fraud is neural network technology.”

the series, (see the first page of this issue of *PULSATIONS*), we list several proven methods available to prevent, detect and block fraudulent activity, regardless of the technique used to gather personal data.

Debit card fraud often begins with a data security breach. With fraud becoming far more technology-centric, millions of cardholders are having their personal data compromised each year as vital information is collected using such techniques as hacking, phishing and pharming.

In the last year, PULSE introduced CVV/CVC Checking and Authorization Blocking services to help financial institutions protect against fraud. In our latest survey of PULSE participants, many survey respondents reported that these services have been instrumental in their fraud prevention programs.

One of the preeminent weapons in the fight against fraud is neural network technology. PULSE will be implementing a new neural network-based fraud detection system later this year. We believe this tool will provide value to all participants in the fight against debit card fraud.

Cardholder education is another critical aspect of data security. It is impossible to overstate the importance of providing cardholders with educational materials designed to assist them in safeguarding their personal information. Even if the best available prevention technologies are employed, the payments system is only as secure as its weakest link, and education is the key to ensuring that consumers are aware of potential pitfalls.

To assist our participants in this area, we have created a comprehensive range of materials in both print and electronic form. For more information, visit the PULSE Marketplace on our Web site at www.pulse-eft.com.

PULSE's 2007 Debit Issuer Study revealed that issuers are looking to debit networks to take the lead in addressing fraud-related issues. At PULSE, we are doing just that. If there are any other ways in which PULSE can better serve your institution relative to fraud, we would like to hear from you.

As always, thank you for your support of PULSE.

Sincerely,

Dave Schneider
President

Dear PULSE Participant, Payment card fraud and data security are two of the hottest topics in the payments industry today. This focus on fraud was evident at the 2007 PULSE Conference in Las Vegas in late April and early May, where a fraud prevention workshop and a session on neural network fraud detection technology were both standing room only.

Given the dynamic nature of payment card fraud and the significance that financial institutions place on this issue, PULSE has developed a two-part data security best-practices series. Designed to help our participants enhance data security, the series includes real-world recommendations and tips drawn from security experts and financial institutions around the country. As highlighted in part one of

**PULSE AcademySM Webinar
2007 ATM Debit Issuer Study
Tuesday, July 17**

The new *2007 Debit Issuer Study* will be presented by Cindy Ballard, executive vice president of PULSE, and Steve Sievert, PULSE's senior vice president of communications and public affairs. The results are a comprehensive analysis of the U.S. debit card industry, and offer recent data on the subjects addressed in a similar 2005 study. New information in areas such as debit interchange and debit rewards will be presented.

**PULSE New Participant
Webinar**

Tuesday, August 21

The New Participant Webinar gives financial institutions that are new to PULSE an opportunity to learn more about the benefits, products and services they receive as a participant. The Webinar provides an overview of the PULSE network, including pricing and optional services, educational opportunities and numerous value-added services options. This convenient session is a great way for new financial institutions or staff members new to the industry to find out how to make the most of their ATM/debit programs. The Webinar is available at no cost.

**Debit Card Profitability Series
October 2007**

This new four-part Webinar series will focus on major factors impacting debit card programs and profitability. Participants will receive information on how to stay competitive in this ever-changing marketplace and learn key strategies for business success. The series will help participants analyze their current program, understand how to maximize their debit card portfolio and discover how to avoid risks associated with the product. Participants also will gain an understanding of debit cardholder demographics, as well as how cardholders respond to various debit card features.

PIX² Training Webinar

Friday, August 24

Obtain an overview of the PULSE exception item processing system. Learn more about PIX² settlement, how to process exception items and download reports, as well as how to utilize additional functionalities of the system. This training is provided to PIX² participants at no cost.

Contact Melissa Voelkner at 800-282-8963 with questions regarding all educational programs.

Golfers Enjoy World Class Clinic and Tournament

As part of the 2007 PULSE Conference, PULSE hosted a golf clinic and tournament in Las Vegas. More than 70 golfers played TPC Summerlin, recognized by *Golf Digest* as one of "America's Best" golf courses.

The event began with a clinic led by acclaimed instructor Butch Harmon. During the clinic, Harmon shared some of his favorite and most requested tips covering many types of shots and situations found in golf. During the tournament, golfers enjoyed playing the 18-hole course nestled in the foothills of Las Vegas while networking with their peers. At the end of the day, golfers had the opportunity to visit with Harmon before returning to the conference for an awards ceremony.



VICTORIOUS FOURSOME The winning team stands with Butch Harmon (center) after a round of golf in Las Vegas. (left to right) Jim Cabe and Warren Cato from Cabe & Cato, Inc.; Harmon; Jacob Greene from Discover Financial Services; and Bruce Hopkins from Metavante Corporation.

The golf clinic and tournament were sponsored by Discover[®] Network. PULSE would like to thank Discover Network for helping make the event a success.

PULSE Set to Launch Recurring PINless Bill Pay Program

Research shows that PINless bill payment transaction volumes are continuing to rise as consumers demand easier payment methods, and billers welcome this option to improve their collection methods. In response to the demand, PULSE is now offering enhanced functionality on its PINless Bill Pay product to support recurring PINless payments.

Recurring payments are those made by a cardholder who authorizes a merchant to debit their account on a recurring basis. Industry studies show that most consumers have recurring bills they could pay online, and paying with their debit card is an added convenience. The PULSE Recurring PINless Bill Pay program, scheduled to launch August 1, 2007, provides a winning situation for everyone involved.

PULSE participating financial institutions pay no transaction fees to PULSE and have potential interchange revenue of \$0.12 to \$0.45 on each recurring

PINless transaction, depending on the amount of the transaction. Billers simplify administration of receivables by acquiring instant authorization for transactions processed. Cardholders

benefit through timelier payment delivery and increased security, while using a payment method they prefer.

The PULSE Recurring PINless Bill Pay program is a proven system. PULSE tested the program thoroughly throughout the past year, with high customer acceptance and steadily increasing transaction rates.

Stop Pay Feature

An important benefit to participants is the Stop Pay feature, which was designed to strengthen fraud protection for all program participants. Stop Pay allows financial institutions to block transactions for a set fee of \$9.00 for each blocked transaction. To initiate a Stop Pay request, an issuer or issuer processor must submit a Stop Pay Form, available on the PULSE Web site, to their processor or Processor Relationship Manager.

Approved Billers

Billers must be sponsored into the program by a PULSE financial institution participant, and approved by PULSE. Supported biller types include:

- Utilities
- Federal, state and municipal government entities that collect payments on a regular basis
- Education providers
- Insurance providers
- Closed-ended loan payments

Recurring PINless Bill Pay Fees for Merchant Acquirers

Interchange Fees

Percent of Sales	0.60%
Fixed Fee	\$0.12
Minimum	\$0.12
Maximum	\$0.45

Switch Fees

Switch Fee	\$0.060
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How to Participate

For more information about the PULSE Recurring PINless Bill Pay program, contact your Relationship Manager or call Patti Chargualaf at 800-420-2122. Merchants who would like to participate should contact their processor directly.



Louisiana Credit Union League Commends PULSE Service

Fast Answers Help League Meet Members' Needs

The Louisiana Credit Union League (LCUL) in Harahan, Louisiana serves and promotes the state's credit unions. LCUL provides its member credit unions with leadership and support to help them succeed in the areas of governmental affairs, research and information, education and training, and community and public relations. The league also offers services that Louisiana's credit unions use to help enhance the experience of their own members. One of these services is providing fast answers when financial transaction problems arise.

Angela Gervais, EFT support specialist for LCUL, says the high level of service PULSE provides her organization helps her meet the needs of credit union members.

"Our relationship with PULSE has been extremely positive. In the six years that I have been here, many of them involved with the network, I can say that service is the best part of the relationship," said Gervais.

"If we have a problem with a transaction, I know I can call PULSE and have them track down the answers we need so we can take the best course of action," Gervais added. The PULSE people – especially Denise Stigge, Rose Blount

and Gina Frazier-Smith – have always done a great job for me."

Gervais also commended PULSE's reliability. Being close to New Orleans, LCUL experienced structural damage to its facilities as a result of Hurricane Katrina in 2005 and relocated to a temporary site. Gervais saw no drop in PULSE service during that time or during Hurricane Rita which affected the area surrounding PULSE's headquarters in Houston that same year.

"The ease of contacting PULSE employees when we need them to answer any questions we might have has been a great benefit to us," said Gervais. "We feel the relationship is working very well for both parties."





2007 PULSE Conference Delivers Educational Excellence

The 2007 PULSE Conference, held April 30 through May 2 at the Wynn Hotel in Las Vegas, was a winner for everyone involved! Attendees from 35 states and Canada heard about the latest developments in financial trends and technology from industry experts, and networked with their peers.

This was the first time in six years that PULSE has hosted its own conference, and the result was a successful blend of knowledge and fun. Topics touched on key issues affecting financial institutions from a business perspective, such as: fraud control, ATM portfolio profitability, business continuity, the Discover® Debit program, managing EFT processing and effective rewards programs.

Pre-conference activities got everyone off to a good start with a well-attended fraud prevention workshop and a golf tournament on Monday. Workshop speakers included PULSE Vice President Judith McGuire, who discussed tools and techniques to help mitigate fraud losses. She was

joined by fraud experts Mike Cassell, Discover Financial Services regional field investigator, who has firsthand experience investigating fraud from a criminal perspective, and Robert Rebhan, former detective sergeant with the Los Angeles Police Department, who urged financial institutions to analyze their own data in order to develop effective fraud prevention strategies. Moderator Tony Hayes, a vice president with Dove Consulting, had this advice: "Talk to your industry associates (at other institutions) and share information about fraud attempts in order to learn best practices from others."

PULSE Chairman Stan Paur opened the General Session on Tuesday, followed by keynote speaker and PULSE President Dave Schneider. Schneider discussed how financial institutions are facing competition from all directions and how consumers are driving changes such as increased use of electronic payments, greater demand for debit cards and a broader mix of payment options.

Tom and Dave Gardner of The Motley Fool followed with a presentation focused on investing and business lessons learned from an "educated" investment model. The Gardners' suggested investors go with their intuition – particularly when evaluating a company's approach to customer service – in order to achieve the most success. They also encouraged financial

institutions to consider themselves as retailers when trying to build and maintain customer loyalty.

Following a full afternoon of concurrent sessions on Tuesday, the conference concluded on Wednesday with Dell's Senior Vice President and CIO Susan Sheskey, who discussed technologies that can elevate the customer experience, and with motivational speakers from Afterburner, who showed how to use a fighter pilot's perspective to meet business challenges with "flawless execution." The high point of the closing was a drawing for \$1,000, awarded to Mindi Dunaway with Community First Credit Union in Appleton, Wisconsin.

Attendees had an opportunity to meet select service vendors, such as Elan Financial Services, Jack Henry & Associates and Cardtronics, in an intimate and conversational setting as they visited booths in the exhibit hall. Exhibitors represented a wide variety of products and services from the financial industry.

PULSE would like to thank all of our sponsors for their generous contributions, which helped ensure that all attendees had a successful conference. Sponsors included: Discover Network; Fidelity National Information Services; CO-OP Financial Services; Fifth Third Bank Processing Solutions; Talisen Technologies, Inc.; Didier Printing; eCommLink and EFT Source, Inc.

Presentations from the General and Concurrent Sessions are available on the PULSE Web site in the participant section at www.pulse-efit.com.

Plan to join us at the 2008 PULSE Conference. More details will be coming in future issues of PULSATATIONS.

Winning with Debit

TIP: Security expert Dana Turner of Security Education Systems, Inc. recommends conducting initial and ongoing background checks on “invisible people” (those who work in your facilities with your permission, but whom you don’t necessarily monitor). Examples include cleaning and maintenance personnel, contractors and temporary employees.



Consumer Awareness

PULSE offers a variety of materials that financial institutions can order and distribute to cardholders including statement inserts, card protector sleeves, Web brochures for online statements and a “safety tips” Web site link. For more information, visit the PULSE Web site at www.pulse-efit.com.

Information Security

One of the most significant risks to the financial services industry is the potential loss of customer and account data through computer intrusion or “hacking.” These incidents can occur within the financial institution or at any entity that handles the institution’s or its account holders’ data.

To ward against hackers, viruses and other threats, companies should utilize

firewalls and anti-virus and anti-spyware software on all computer systems, and regularly install available security patches on operating system software. Financial institutions also should use strong encryption when storing and communicating sensitive data, and task someone to monitor intrusion detection logs and systems on a daily basis.

TIP: Accountability for data security should be assigned to a single employee to clarify the chain of command and maximize efficiency.

All financial institutions should have an information security policy that is reviewed and updated regularly. The policy should set information sensitivity levels, outline information access privileges and define data encryption standards in accordance with industry requirements. In addition, it is crucial to obtain buy-in on information security policies at the highest levels of an organization, including the CEO and/or board of directors.

One of the crucial elements of data security for financial institutions is the effective management of encryption keys. Secure key management systems should employ the following principles, according to the Federal Financial Institutions Examination Council:

- Key management is fully automated; no opportunity exists for personnel to expose keys or influence key creation;
- No key ever appears unencrypted;
- Keys are randomly chosen from the entire universe of possible values, preferably by hardware;
- Key-encryption keys (keys used to encrypt other keys, or KEKs) are kept separate from data keys, and no data that was encrypted using a KEK ever appears in clear text;
- All patterns in clear text are disguised before encrypting;
- Keys are changed frequently, and long-life keys are used sparingly;
- Keys that are transmitted are sent securely to well-authenticated parties; and
- Key-generating equipment is physically and logically secure from construction through receipt, installation, operation and removal from service.

Online Banking

Electronic payments and online banking have become a way of life for modern consumers. The systems that support these conveniences are often tempting targets for fraudsters. There are numerous techniques and technologies available to assist industry participants in preventing such attacks.

Historically, most online banking applications have used single-factor authentication, requiring the user to provide a user ID and password. More recently, many financial institutions have introduced enhanced authentication techniques, such as the use of “challenge” questions that require the user to provide a correct response.

The more sophisticated authentication techniques now being deployed by financial institutions involve two or more authentication factors (for example, the user’s login ID and password, as well as a password generated by a remote device). Another technology employed by some institutions involves so-called “site authentication.” This tool presents account holders with an image, chosen by the user in advance, to verify that the site is authentic and not a phishing site.

REAL-WORLD PRACTICES:

- Many financial institutions are utilizing one of several available software programs that analyze account holder log in behavior and online transactions to spot out-of-pattern activity, indicating that a fraudster may have taken over the account.

- One national bank has launched a fraud detection project that includes a novel concept: asking the account holder to tell the bank, in advance, what transaction behavior would be out of character for them.

Card Reissuance

Data breaches have become an unfortunate phenomenon in the payments industry in recent years, putting millions of account holders at risk of fraud, at the expense of card issuers. It is therefore important for all financial institutions to have a process in place for assessing data breaches and, when appropriate, notifying account holders and reissuing cards.

Institutions must weigh several factors when making a reissuance decision, including the level of risk involved versus the cost of reissuance, the potential for a damaged reputation, the possibility of cardholder confusion and frustration, etc. Keep in mind that laws governing security breach notifications vary from state to state, making it doubly important that institutions plan in advance how they will handle any breaches that may affect their account holders.

REAL-WORLD PRACTICE: A number of institutions have indicated that they are either considering or have switched to instant issuance of debit cards so that they can quickly reissue cards in the event of a data breach. Instant issuance reduces the time it takes to receive new cards during periods of high demand, such as following major breaches.

The final installment in this two-part series on data security best practices will be published in the July/August issue of *PULSATIONS*. Part 2 will address business continuity programs and cardholder education.

Vacationland FCU Values PULSE Service

Red Coffey feels that a little customer service goes a long way. Coffey, Information Systems director for Vacationland Federal Credit Union in Sandusky, Ohio, led his institution's conversion to the PULSE network approximately two years ago, and recently talked with PULSE about his experience.

According to Coffey, Vacationland FCU had been with its previous debit



VACATIONLAND
FEDERAL CREDIT UNION

network for many years, but felt the credit union was missing some value. Vacationland was not receiving much attention from its network and felt like a small fish in the network's big pond. Although the credit union was also using the network as its processor, the staff rarely heard from network representatives.

Vacationland prides itself on promoting thrift and financial efficiency to its members, and felt the previous network's fee and revenue structure did not align with this premise. Member service is a big part of the institution's culture, so they sought a debit network alternative that would provide a better value and improved member service.

In late 2004, Vacationland began the search for a new network. The credit union decided that in order to maintain the high level of service its members were accustomed to, it needed to convert its ATM/debit network and its processor simultaneously, as well as install new ATM hardware. For good measure, and to further underscore the launch of an enhanced debit program, the credit union also changed its debit card design.

Vacationland selected PULSE as its network and Elan as its processor. "We were really impressed with the 'small-town feel' and personal touch that PULSE brought in," said Coffey. "We were further impressed by the level of service provided by both companies."

Vacationland experienced a smooth transition with its conversion. "The preparatory meetings with both companies went extremely well," said Coffey. "Elan broke down the whole process into manageable chunks for us, and we were ready to convert in February 2005."

"The actual conversion took place on a Sunday, and things went pretty smoothly. There was very little member or merchant impact. It took us only a couple of weeks for everything to be completely stable," explained Coffey.

Since the conversion, the debit program at Vacationland has run smoothly. Coffey says that Vacationland has enjoyed the high level of service provided by the PULSE network and appreciates the ability to offer new Discover Financial Services products to its members. But above all, Vacationland appreciates hearing from its network and processor.

"The service from both PULSE and Elan has continued to be phenomenal," said Coffey.

BancorpSouth Selects PULSE as Exclusive PIN Debit Network

BancorpSouth, a \$13 billion financial holding company with a 130-year history, has expanded its relationship with PULSE to better serve the bank's more than 325,000 debit cardholders. In late April, the two companies announced an exclusive, long-term agreement under which PULSE will serve as the sole PIN debit network provider for BancorpSouth.

BancorpSouth operates 290 commercial banking, mortgage, insurance, trust and broker/dealer locations in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee and Texas. In addition to ATM and PIN debit network services, PULSE also provides the bank with gateway access to other networks.

"We are honored to be selected as BancorpSouth's exclusive choice for PIN debit network services," said Leah Henderson, PULSE executive vice president of sales. "PULSE recognizes the importance of providing high-quality EFT services to participating financial institutions, and we are pleased to be able to serve BancorpSouth's debit card customers through this expanded relationship."

PULSE and BancorpSouth have worked together since 1997, and during that time have maintained a close relationship. Bank Senior Vice President Michael Lindsey serves on the PULSE Operations Committee.

Reconfirming the value the bank has received from its PULSE participation over the years, BancorpSouth Vice President Keith Mansfield said the new long-term agreement is mutually beneficial.

"BancorpSouth is steeped in tradition, leadership and innovation, so it is no surprise we have chosen to expand our agreement with PULSE," Mansfield said. "We look forward to a growing relationship with PULSE to help further our mission of providing world-class products and services to our customers."



BancorpSouth
Member FDIC

Right Where You Are™



United Commercial Bank Joins PULSE

United Commercial Bank (UCB), a \$10 billion U.S. bank serving the Chinese-American community and American companies doing business in Greater China, has joined PULSE. The network's U.S. card acceptance agreement with China UnionPay (CUP) was the deciding factor in earning the business of one of the country's largest Chinese-American financial institutions.



"Becoming a PULSE participant was a strategic decision for United Commercial Bank," said David Wang, senior vice president and director of Retail Banking. "We are working with China UnionPay to deploy ATM terminals in areas of the U.S. with large Chinese populations. Becoming a

PULSE participant solidifies our relationship with China UnionPay by enabling us to serve CUP cardholders when they visit the U.S., through convenient access to U.S. ATMs and PIN debit transactions at the point of sale."

"Adding United Commercial Bank to the rapidly growing list of PULSE participants on the West Coast is a testament to the value and service we deliver to financial institutions through innovative products and services such as interfaces with strategic international networks," said Leah Henderson, PULSE executive vice president of sales. "Our acceptance agreement with CUP helps us better serve institutions such as UCB that are looking to strengthen their connections with the Chinese market and better serve Chinese tourists and business travelers."

United Commercial Bank has 50 branches and offices in the San Francisco Bay Area, as well as Sacramento, Orange, Los Angeles and Stockton counties; five branches in New York; five in metropolitan Atlanta; three in New England; two in the Pacific Northwest; one in Houston; one in Hong Kong; and representative offices in Shanghai and Shenzhen, China and Taipei, Taiwan.

Introducing *Perks Everyday*SM Rewards (continued from page 1)

Custom Perks includes all of the features of the first two offerings, plus custom Web design, additional redemption options and the ability to pool debit points with those earned on products such as loans, lines of credit and online bill payments.

Cardholders automatically earn *Perks Everyday* points at the rate of one point per dollar spent on signature purchases that are not cash disbursements. Rewards are earned for point-of-sale purchases, automatic payments, telephone purchases and

Internet purchases with the Basic Perks option, as well as PIN-based purchases with the Co-branded and Custom Perks options. Cardholders earn points at a rate of three points per dollar spent on PIN-based purchases that are not cash disbursements.

The *Perks Everyday* program is easy to administer because it includes tools that enable cardholders to track their progress. Cardholders can monitor and redeem their own points online on the *Perks Everyday* Web site, by telephone using a 24 / 7 voice response system or via e-mailed statements. The Web site includes a secure sign-in for cardholders and catalog pages to browse a selection of rewards offerings.

In addition to these cardholder services, the *Perks Everyday* program includes training tools and marketing support for financial institutions. The online tracking and redemption features and concise reports, make it simple to

manage the program. The bottom line is that *Perks Everyday* enhances a cardholder's experience without significant administrative costs for the institution.

Bottom Line Value

The *Perks Everyday* program is designed to help financial institutions increase revenue when cardholders use their debit cards for purchases and payments. The program offers a strategic method to drive customer loyalty and create lasting cardholder relationships, all the while building the financial institution's brand. Debit card rewards programs also provide an incentive to attract new customers by differentiating an institution's debit program from the competition.

For more information, or to find out how to sign up for *Perks Everyday*, visit www.pulse-eft.com and click on Products & Services/Payment Services/PULSE Debit Solutions/Perks Everyday.

If you have any questions about the Web site registration process, please e-mail webmaster@pulse-eft.com or call Ralynn Bowden at 800-420-2122.



PULSE BULLETIN



PRIZE WINNER (left to right) Dave Schneider, PULSE president; Jessie Rodriguez, Cal-Com FCU president; Anne Boatright, TCUL chairman; and Drew Pearson, former Dallas Cowboys star.

PULSE Participant Wins \$1,000 Discover® Gift Card

At the Texas Credit Union League 2007 Annual Meeting, PULSE sponsored a general session drawing, and awarded a prize to one lucky conference attendee. Jessie Rodriguez of Cal-Com FCU was the winner of the \$1,000 Discover Gift Card. Dave Schneider, PULSE president, Anne Boatright, TCUL chairman and Drew Pearson, former Dallas Cowboys star and PULSE sponsored speaker, presented Rodriguez with the prize during the opening general session.

Authorization Blocking Pricing Change

In an effort to simplify billing related to Authorization Blocking, and to slightly reduce the cost to financial institutions for utilizing the service, PULSE is implementing a change to the pricing structure of this service.

Effective July 1, 2007, PULSE will eliminate the per-transaction fee that was previously charged on all blocked transactions, and will instead charge a flat \$250 fee per block request. Deactivation of a block request will incur a standard \$35 database change fee.

PULSE will continue to charge a one-time set-up fee of \$500 to each institution that utilizes the service for the first time. Normal certification fees will continue to apply.

For more information on Authorization Blocking, visit www.pulse-eft.com and click on Products & Services/Network Security/Fraud Solutions.

PULSE Fills Vital Communications Role



Steve Sievert
Senior Vice President,
Communications and Public Affairs

PULSE has appointed Steve Sievert as its senior vice president of Communications and Public Affairs. Sievert fills the role previously occupied by Mary Brown, who retired from PULSE earlier this year. Sievert has more than 20 years of experience in several communications fields, including radio, television, investor relations and marketing. Before joining PULSE, he was Director of Investor Relations and Corporate Communications for biotechnology firm Tanox.

Previously, he served as Director of Marketing and Communications for U.S. Oncology, the largest cancer services provider in the nation. Sievert also has held communications positions with Compaq, Texas Children's Hospital and Baylor College of Medicine.

"Joining PULSE has given me the opportunity to work for a leading company in a dynamic industry," said Sievert. "And on a personal level, the exposure to a new industry presents a welcome career challenge."

"Steve's broad communications experience is a great asset to our communications efforts," said Cindy Ballard, PULSE executive vice president of Communications and Public Affairs. "Under his leadership, we intend to expand our support of PULSE participants by offering a wider array of strategic communications and marketing materials."

Sievert is an avid runner and cyclist. He and his wife, Yvonne, reside in Houston, Texas.



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RETURN SERVICE REQUESTED

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