



April 9, 2013

Mr. Chris A. McWilton
President, U.S. Markets
MasterCard Worldwide
2000 Purchase Street
Purchase, New York 10577

Re: Extension of Liability Shift Deadline for Counterfeit ATM Transactions

Dear Chris:

The Independent Community Bankers of America (ICBA)¹ and ICBA Bancard, Inc.² requests that MasterCard extend the April 19, 2013, implementation date for the liability shift for counterfeit ATM transactions involving Maestro international cards with EMV chips at ATMs in the United States until Oct. 1, 2017.

We are deeply concerned that this liability shift will place a disproportionate economic burden on community bank ATM operators. Based on information from ATM manufacturers and the experiences of other countries, we are concerned that the high cost to upgrade ATMs to support EMV—approximately \$1,500 per ATM— by this implementation date is a strong deterrent for community banks, especially coming on the heels of the costly March 2011 American Disabilities Act speech-enabled ATM provisions.

¹ The Independent Community Bankers of America®, the nation's voice for more than 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.

With nearly 5,000 members, representing more than 24,000 locations nationwide and employing 300,000 Americans, ICBA members hold \$1.2 trillion in assets, \$1 trillion in deposits, and \$750 billion in loans to consumers, small businesses and the agricultural community.

For more information, visit ICBA's website at www.icba.org.

² ICBA Bancard is the wholly owned payment services subsidiary of the Independent Community Bankers of America. ICBA Bancard provides community banks with equitable access to cutting edge credit card options, debit card options, ATM and merchant processing solutions as well as exclusive services including the Fraud Loss Protection Plan, portfolio consultations and portfolio analytical tools. For more information, visit the ICBA Bancard website at www.icbabancard.org.

At present, due to that high cost, very few community banks (less than 10 percent) have upgraded their ATMs to support the required EMV card readers or loaded the EMV software kernels. As a result, community banks will become liable for international counterfeit transactions and incur losses because of MasterCard's premature and piecemeal implementation.

Additionally, we urge MasterCard to, at a minimum, consider consolidating the April 19, 2013 Maestro liability shift with, and the implementation date, for "all other" transactions to Oct. 1, 2016. The April 2013 date is too early for ATM operators, as previously stated, and the misalignment of the later date is burdensome. However, we advocate an Oct. 1, 2017 liability shift, which is consistent with other industry EMV initiatives and provides a uniform and more realistic approach to EMV implementation. With an extension, the industry also has sufficient time to develop a universally accepted AID (Application Identifier) in order to conform to the network routing requirements for debit established under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Short of this, many of our community bank members, as well as other ATM operators, may be forced to drop their acceptance of Maestro.

The migration to EMV should be conducted in a manner that does not excessively burden any part of the industry. Equal deference should be given to community banks and other ATM operators, as was given to the petroleum industry by extending the implementation timeframes to accommodate costly implementation. We urge MasterCard to coordinate with every industry participant, including community banks to develop a uniform, reasonable implementation schedule to EMV and make sure that the transition to EMV is as seamless as possible so that service is not interrupted and a good cardholder experience is maintained.

Thank you in advance for your consideration of these important matters. Please do not hesitate to contact Linda Echard, president and CEO, ICBA Bancard, linda.echard@icba.org or Cary Whaley, vice president, Payments and Technology Policy at ICBA, cary.whaley@icba.org, with any questions regarding this issue.

Sincerely,

/s/

Camden R. Fine
President and CEO
Independent Community Bankers of America

/s/

Linda F. Echard
President and CEO
ICBA Bancard, Inc.