CHANGE

CRISIS MANAGEMENT

RESULTS

These words describe the year from the point of view of the electronic payments industry – legislative debate, intended/unintended consequences of potential and existing legislation/regulation and controversy were constant factors throughout 2011 and afford EFTA a unique opportunity to represent you, our members, on key issues that affect how you conduct your business.

President & CEO’s Message

2011 saw EFTA double its government relations effort to provide timely coverage and analysis of the debate over interchange rules, the implementation of Dodd Frank, and the developing ATM signage controversy. EFTA members had near real-time access to information as we continued to “scoop” national media on these developing stories.

Our communications plan saw a 60% increase in member communications, including legislative alerts, teleconferences, and webinars.

And best of all, we have increased our Board level membership by 25% in 2011, broadening our scope, influence and networking opportunities for all members.

Key to our success this year has been our social media strategy. Our Durbin blog has been visited over 20,000 times and a number of its pages rose to the top of the rankings on the popular search engines during the protracted legislative battle over the Durbin Interchange Amendment.

Finally, in industry relationships, EFTA enjoys a position of leadership. A coalition of industry groups built and led by EFTA continues to gain support on Capitol Hill in the battle against ATM signage profiteers.

Durbin Interchange Amendment

ACTION: No issue received more attention from EFTA than the Durbin Interchange Amendment and the impacts to the electronic payments industry. EFTA staff worked tirelessly to keep you informed, conducting webinars, blogging, tweeting, sending legislative alerts, working with the Federal Reserve Board and holding meetings on Capitol Hill. Our goal was to delay implementation in order to provide adequate time for the industry to make the changes necessary to comply with the law.

BENEFIT: Implementation of the Durbin Rules was delayed until October 1 of this year allowing our membership more time to prepare for the significant changes required by this legislation.

Putting You in Touch with the People Who Shape Your Business

ACTION: A significant advantage of EFTA membership is the opportunity to hear from and meet the people who most directly affect the electronic payments industry: federal regulators, Congressional policy advisors, technology experts and investment analysts.

BENEFIT: As members, you have had the opportunity to interact with the following people in 2011:

John Carlson, Managing Director, Morgan Stanley
Leonard Chanin, Assistant Director, Regulations, Consumer Financial Protection Bureau
Tony Hayes, Partner, Oliver Wyman
Bob Hunt, Vice President and Director, Payment Cards Center, Federal Reserve Bank of Philadelphia
Michele Johnson, Director, Legislative Affairs, Credit Union National Association
Emory Kobor, Office of Terrorist Financing & Financial Crimes, United States Treasury
Louise Roseman, Director, Reserve Bank Operations and Payment Systems, Federal Reserve Board
Carl Rutstein, Vice President, Boston Consulting Group
Laura Swanson, Policy Director, Senate Banking Committee
EFTA Muscles Up in Fight Against ATM Signage Profiteers

ACTION: EFTA actively engaged Congress, federal regulators and other financial services associations in an effort to eliminate Regulation E’s dual fee notification at an ATM. Lawsuits by unscrupulous parties alleging Regulation E’s dual fee notification violations are increasing, thus EFTA will vigorously pursue amending Regulation E in 2012.

BENEFIT: Elimination of the dual requirement will put an end to the money, time and effort required to contest these frivolous lawsuits while bringing greater clarity to the consumer.

Lines of Communication

ACTION: EFTA continuously develops new ways to keep members up to date using a variety of traditional and social media tools.

BENEFIT: In Dec. 2010 we launched our Durbin site, www.durbininterchangeamendment.org, which has had over 20,000 visitors and become a beacon for Durbin issues and analysis. In addition when important Congressional hearings take place you can follow the proceedings in near real-time through our Twitter feeds. And coming in 2012: a new issues-oriented blog on our revamped website, www.efta.org.

What to Look Forward to in 2012

EFTA will continue to provide timely and actionable information on key concerns and issues important to the electronic payments industry. The 2012 EFTA calendar includes our Winter Board of Directors meeting in San Antonio in conjunction with the annual meeting of our ATMIA partners. Also, we will meet to provide updates on key issues at the Spring and Fall Board and Council meetings, as well as host teleconferences, post blogs, conduct webinars and send legislative alerts on the topics that matter most, such as:

- The Durbin Interchange Amendment implementation
- CARD Act II
- Dual ATM Signage repeal
- Consumer Financial Protection Bureau operations
- IRS Merchant Reporting rules
- Privacy and Data Security
- Prepaid and Payroll Cards

Sitting over these dynamic issues is a presidential election that will impact policy and the regulatory environment for the next four years and beyond. EFTA’s competencies and strengths will continue to be strongly leveraged on behalf of our membership.

Your 2012 membership will enable EFTA to strengthen our presence on Capitol Hill, bring you timely and relevant information and continue to educate and communicate with regulators and policy analysts on topics critical to our industry.

EFTA will keep you informed, engaged and provide the electronic payments industry with a strong, objective voice when educating policy makers and regulators. We look forward to partnering with you to maintain the vitality and agility necessary for continued success and growth across our industry.

Mission Statement – The mission of the Association is to inform and educate members, the public and the media on issues of importance to the electronic payments industry and to objectively promote the adoption of electronic payments and commerce.