

Credit Lifecycle

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Objective

- **Describe the basic functional areas of a credit card operation**
- **Define the components of those area**
- **Discuss how Fiserv can assist you in addressing these areas**
- **Take your questions relative to these areas**

Functional Areas

- **Acquisition/Marketing**
- **Credit Processing**
- **Credit Risk**
- **Card Issuing**
- **Transaction Processing**
- **Cardholder Billing**
- **Payment Processing**
- **Cardholder Servicing**
- **Account Management**
- **Collections**
- **Fraud Management**
- **Program Administration**

Functional Areas Definition

Acquisition/Marketing

- **Marketing activities associated with the acquisition of new cardholders**
 - Define the Offer
 - Target the prospect
 - Engage the channels
 - Receive and track responses
 - Compliance/Disclosure

Functional Areas Definition

Credit Processing

- **Activities associated with the acquisition of new cardholder accounts from receipt of application to account establishment or notification of rejection**
 - Record applications
 - Maintain proper time standards
 - Enforce consistent credit policies (utilize up/down sell)
 - Establish on AR system and fulfillment platform
 - Provide positive/negative communications

Functional Areas Definition

Credit Risk

- **Activities associated with establishing risk policies and performing periodic credit reviews, account upgrades, and credit limit assignments on the existing cardholder base**
 - Portfolio Analytics
 - Target clients
 - Limit Increase/Decrease Programs
 - Upgrade Programs
 - Score updates

Functional Areas Definition

Card Issuing

- **Activities associated with the design, purchase, production, and distribution of credit card plastics to new and existing customers**
 - Card Collection
 - Card Carriers
 - Inventory Management
 - Turn Time
 - Rush and Pulls

Functional Areas Definition

Transaction Processing

- **Activities associated with processing cardholder authorization inquiries and financial settlement**
 - Velocity
 - Transaction Posting
 - Interest Calculation Options
 - Special Interchange Transactions
 - Interchange Rates
 - Outstanding authorization cardholder display
 - Cardholder transaction download

Functional Areas Definition

Cardholder Billing

- **Activities associated with preparing and mailing billing statements to cardholders**
 - Compliant statement generation
 - No worry mail facility
 - On-line access
 - Compliant e-Statements
 - Cardholder transaction displays

Functional Areas Definition

Payment Processing

- **Activities associated with processing cardholder payment remittances and checks**
 - Lockbox
 - ACH payments
 - Convenience Checks
 - Reconciliation
 - Posting
 - Compliant payment allocation

Functional Areas Definition

Cardholder Servicing

- **Activities associated with responding to all cardholder inquiries and requests other than those related to fraud, credit, collections, and account management services**
 - 24X7 servicing (multi-lingual IVR and live agents)
 - Calls answered in your name
 - Detailed empowerment
 - Custom PIN requests
 - Card Activation
 - Internet customer care

Functional Areas Definition

Account Management

- **Activities associated with developing and implementing programs related to cardholder activation, usage, retention, balance transfer, and fee based products and services**
 - Upgrade and downgrades
 - Activation programs
 - Formalized retention strategies

Functional Areas Definition

Collections

- **Activities associated with the collection of cardholder account balances on over-limit, delinquent, and charged off accounts**
 - Determining when an account enters collections
 - Special account handling (credit counseling, bankruptcy, deceased)
 - Cardholder education
 - Agency placement

Functional Areas Definition

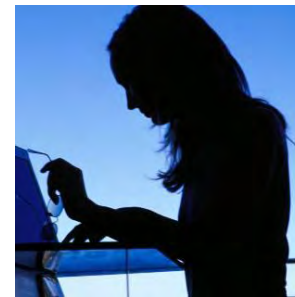
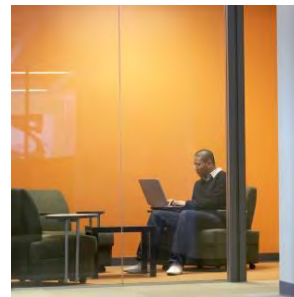
Fraud Management

- **Activities associated with prevention, detection, and investigation of fraudulent credit card usage**
 - Lost/stolen account handling
 - Exception review
 - Fraud management
 - Compromised accounts
 - Monitoring for real-time fraud via EnFact
 - Chargeback review/processing
 - Warning bulletins
 - Fraud Affidavits

Functional Areas Definition

Program Management

- **Activities associated with planning, directing, and coordinating the overall consumer credit card issuing program**
 - Compliance services
 - Analytics



Thank you!

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