



April 24, 2023

Dear customers,

In February 2022, the Federal Trade Commission reported that in 2021 more than \$5.8 billion dollars was lost in fraudulent activities attributed to imposter scams and the fraudulent use of compromised debit and credit cards for shopping transactions.

In an ongoing effort to maintain the security of our customers' accounts and financial information while reducing our fraud risk, I would like to inform you of some changes we are making immediately for the continued protection of our customers. Effective May 1, 2023, we will be eliminating the ability of debit card transactions to be used at a merchant that allows the following card entry modes:

- **Magnetic Stripe - In this scenario the merchant swipes your card into a magnetic swipe reader thus bypassing the chip card technology and eliminates your protections. This opens your card and its information to folks collecting this information for fraudulent activities.**
- **Chip Fallback - A fallback transaction normally occurs when a chip card, presented at a chip terminal, cannot be read due to a technical issue with the chip and/or terminal which results in the technology "falling back" to a magnetic stripe transaction. In this event any fraudulent activities should go back against the merchant. However, this is not what is occurring on debit card transactions.**

Beginning May 1, 2023, if your card is used at a merchant that confirms the transactions as one of the entry modes above, the transaction will not go through. The merchant is required to have a chip terminal processor and chip enabled reader turned on per Payment Card Industry Data Security Standard.

The original deadline for chip enabled EMV compliance "law" states that all merchants must upgrade their POS systems to support EMV chip cards which had an original deadline of October 1, 2015; gas stations had until October 2020. Chip enabled (EMV) merchants saw an 80% drop in counterfeit fraud within the first three years of implementation.

Community First Bank is working to help educate our customers and our local merchants on current fraud trends and better ways to use your debit card. On our website [c1stbank.com](http://c1stbank.com) you will find in the Resource Center, tips to help you prevent and report fraud. Additionally, we have other ways of safeguarding your transaction which include adding your card to either your **Apple Wallet** or **Google Wallet**. Utilizing this form of access allows you to use tap capabilities on your phone. We also offer a security feature through the app store called **SecurLOCK Equip** app. **SecurLOCK Equip** is a mobile app that allows cardholders to control how, when, and where their debit and credit cards are used and receive instantaneous real-time alerts.

We thank you for being a customer of Community First Bank and look forward to your feedback as we move forward in combating fraud.

Best Regards,  
Richard Burleson  
President and CEO