

Chip-Based Credit Cards Are Here

Millions of U.S. consumers will be getting new chip-enabled credit cards this year. Card-chip technology creates a unique code for each transaction. Because the codes change with each transaction, criminals can't use them to create a counterfeit card. This is a major improvement from the single magnetic strip where all the account information is permanently stored -- and thus vulnerable to theft. Here are a few key facts:



Q. When will I see these new cards?

The biggest banks already have been sending out the cards to some customers. Mailings for all banks and credit unions are expected to accelerate significantly before year end.

Q. Does the chip card look any different?

You can usually see the computer chip embedded on the front of the card. The back of the card will still contain a magnetic strip so that the card can be used at merchants that have not upgraded their cash-register terminals to accept the chip technology.

Q. Do I have to do anything different when I use the chip card?

If the merchant has the technology to accept a chip card, it must be inserted into a slot in the bottom of the card reader instead of swiped. The card must be kept in the reader until the transaction is complete.