

EMV Cards 101

You may have noticed that the latest credit or debit card sent to you by your bank sports an embedded microchip in addition to the magnetic stripe on the back. American card issuers are switching customers to more secure EMV chip cards in an effort to cut down on [credit card fraud](#). Here are a few facts about chip cards and how to use them.

They offer better security

The Europay Mastercard Visa (EMV) chips, named for the partners that developed them, use encryption to protect your account data from counterfeiters. In addition, they produce a unique, one-time authentication code for each transaction you make in person. With [identity theft](#) topping the list of consumer complaints to the Federal Trade Commission in recent years, the U.S. is rushing to implement this financial technology, which is already used in 130 countries.

They use a signature or a PIN

There are different types of chip cards. In the U.S., “chip-and-signature” cards are more prevalent. To use the card, insert it in the slot at the bottom of the EMV chip-compatible card reader, and leave it in there until the transaction is completed. You’ll be prompted to verify the purchase with your signature, just as you do now.

There are also “chip-and-PIN” cards, considered by some to be even more secure. With these, you verify the transaction by entering a personal identification number on the keypad, as if you were using an ATM to withdraw money from a [checking account](#). Some hybrid cards accept either a signature or a PIN.

If you’re planning to travel internationally, where chip-and-PIN cards are the norm, check with your financial institution to see whether you’ll need to register a PIN before your trip. Institutions like First National Bank in Fairfield can help customers figure out the best way to use their debit and [credit cards](#) while traveling.

Merchants are catching up

Not all merchants have EMV-enabled payment terminals installed yet, but big chains such as Home Depot, Target, Walgreens and Walmart have already upgraded theirs. Federal agencies are switching government-issued bank cards and payment terminals to the chip-and-PIN version of the EMV technology.

All this technological progress sounds great, but what if you want to buy something at an establishment that still has one of the older card readers? Don’t worry. Though you won’t get all the security benefits of the chip, you still have the option of paying for things by swiping the familiar magnetic stripe on your EMV chip card.

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