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Impact of Target Data Breach Nearly \$2 Million for Alabama and Florida Credit Unions

- AL credit unions report a total estimated cost to date of \$400,000
- FL credit unions report a total estimated cost to date of \$1.4 million
- Total number of cards affected in AL/FL top 350,000

Birmingham, AL/Tallahassee, FL – January 24, 2014 – The first look at the financial impact that the Target Data Breach has had on credit unions shows significant loss already. Alabama and Florida credit unions have seen a combined \$1.8 million in losses on debit and credit cards. These are not member fraud losses, but the cost that the credit unions have incurred in investigating the breach, added staff for call centers and reissuing the cards. The results are from a survey conducted by the Credit Union National Association (CUNA).

A closer look at the results show that Alabama reported an estimated 79,888 affected cards; the bulk (71,101) being debit cards. With an estimated \$5.10 cost per affected card, Alabama credit unions are looking at a total estimated cost to date of \$407,389. These numbers are just based on eight credit unions responding to the survey.

Florida ranked fourth in the nation, behind California, Virginia, and Texas in terms of mass affect with an estimated total 276,634 affected cards, the majority of which (240,411) are debit cards. With the large number of affected cards, Florida credit unions are looking at a total estimated cost to date of \$1,410,835. These numbers are based on 21 credit unions responding to the survey.

“These numbers are really just the tip of the iceberg for credit unions,” said LSCU & Affiliates President/CEO Patrick La Pine. “These numbers are also a great example of the kind of costs that are associated with debit and credit cards. Most consumers think that a card is inexpensive to produce. These results don’t include fraud costs which will be known later in the year. Those potentially could be massive.”

Nationwide the percentages are similar. Overall credit unions are reporting that eight percent of their debit cards were affected, while four percent of their credit cards were affected - all resulting in between \$25 and \$30 million in estimated total costs. These results are from nearly 1,000 credit unions filling out the survey.

Credit unions also seem to be handling the situation similarly as 77 percent of credit unions are reporting that they will reissue or have already reissued all cards, while 21 percent have reported they will issue or have already selectively reissued cards in response to member request or other factors.



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Additionally, 38 percent of credit unions across the country are reporting an increased call volume of 10- to 25-percent and 35 percent of credit unions are reporting that they have had to increase staff as a result of the breach.

These preliminary results were collected between Jan. 3 - Jan. 16. The survey is still open.

The League of Southeastern Credit Unions represents 279 credit unions in Alabama and Florida with a combined total of \$65 billion in assets and more than 6.5 million members. LSCU provides advocacy and regulatory information; education and training; cooperative initiatives (including financial education outreach); media relations and information; and business solutions. For more information, visit www.lscu.coop. Follow the League on [Twitter](#) or [Facebook](#).

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