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EMVCo Secure Remote Commerce (SRC)

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U.S. digital-only challenger banks have long touted low fees as their primary benefit. No monthly account charges and free ATM transactions help position the mobile apps as consumer-friendly alternatives to giant banks. Several of these neobanks have recently rolled out new features targeted squarely at the 59% of Americans who say they live from paycheck to paycheck.

Chime and Varo Bank have both introduced features that will give customers early access to paycheck direct deposits. The two-day advance is often enough flexibility to enable customers to pay bills that otherwise may have been late due to cash flow issues, and helps them avoid high fees and interest charges from payday loan providers. Challenger bank newcomer N26, from Germany, has also announced a similar offering for its customers.

Chime and Varo have also introduced an overdraft feature that automatically covers customers for up to \$100 in shortages per pay period. A monthly direct deposit of at least \$500 is required to qualify for the protection, and payments covered are automatically deducted from customers' next direct deposit.

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