Welcome!

United Processing would like to thank you for your business. **First Data**, our underwriter, has issued your business a merchant number which is located on the set of stickers for your convenience.

STICKERS: Please put stickers on your terminal and or in a safe place as reference phone numbers are important.

REPROGRAMS: If you have already been processing credit cards, someone from our office will be calling you to schedule a reprogram of your terminal. Once this has been completed, you'll be ready to accept credit cards.

NEW EQUIPMENT: If you have purchased or leased equipment, your equipment will arrive within a few days and will be ready to plug in and use. Equipment instructions sheet will be included in this packet.

END OF DAY:
- Print a report of your transaction data at the end of each day (only days of activity) and secure it in a safe place for future reference if needed.
- Batch: Unless you batch your terminal daily – you will not receive your funds and you will pay increased rates and fees. Batching instructions are on reference card.
- Your deposits should be identified on your bank statement.

BANK ACCOUNT CHANGES: Any changes to your account (ie: bank account change, mailing address change, name change etc.) need to be processed through our office.
American Express is a separate entity and will need to be contacted directly for any changes.

PREVIOUS PROCESSOR: If you have an existing merchant account with a previous credit card processor, you'll need to cancel that account with them. We highly recommend that this be done in writing to document the event.

DUPLICATE TRANSACTIONS: First Data, will not process a duplicate transaction that is for the exact same amount, using the same credit card number, within a two hour period of the first transaction. If your business practices require that the same cardholder be charged the same amount, on the same card, within a two hour period of the first sale, we can adjust your merchant account to allow for that. Please contact us at your earliest convenience.

STATEMENT ACCURACY: Please review your monthly statements for accuracy. Errors must be reported within thirty days of the statement date. Requests for refunds or adjustments will not be accepted after thirty days.

HELP DESK: The **24-hour Help Desk** is always just a call away and we're here to assist you if you have any further questions. You can reach our Client Services Department at 914-276-3700 (ext 10).

Sincerely,

Client Services

Frequently Asked Questions:

Who do I call after United Processing Corporation's office hours: M-F, 9-5?
Answer: In the welcome kit we send you there are help desk phone #'s that apply to your merchant account. These help desks are available 24 hours a day 7 days a week.

How does the money from the transactions get sent to my bank account?
Answer: At the end of the day you need to print a detail report of all your transactions. This will assist you in reconciling your bank account. You'll next need to send the transactions to be processed (sometimes referred to as settling or batching).

What should I do when a transaction is entered incorrectly?
Answer: You can VOID the transaction if the terminal has not been settled/batched out. There is no guarantee on how long it will take for the money to be refunded back to your customer's card. If the card was a debit card it could be seven to ten days. You can also perform a CREDIT. A CREDIT should show up on that cardholder's card issuing bank's system within in few days unless it's a debit card in which case it will be immediate once you settle/batch your terminal. Unlike a VOID, a CREDIT may cause you to be charged the discount fees for the original sale transaction.

What services are available to help me manage my merchant account?
Answer: We offer a secure password protected service called eMerchantView. This is an internet based service that allows you to view all transactions and funding to your merchant account. All you need is a standard internet browser access (Internet Explorer). If you are interested please contact United Processing.

When I receive my terminal from UPC what do I do next?
Answer: When you receive your terminal, just plug it in and you're ready to go. The terminal has already been programmed for you. We may utilize an outside vendor such as "Paragon Services or TASQ"

What if I have existing equipment that is being switched over to UPC?
Answer: Your account representative will contact you and let you know that your account has been approved and you're ready to go. They will reprogram your terminal over the phone.

What do I do if I changed my bank account and had existing Amex and Discover merchant accounts?
Answer: You need to contact American Express and give them your banking changes so that those funds will be directed to the right account. Unfortunately, we are not given permission by Amex to do this for you. Your existing Discover merchant account has been automatically converted to be included in your MasterCard/Visa

merchant account. You should contact the MasterCard/Visa help desk for assistance w/Discover card transactions going forward.

If I'm on autobatch/autosettle do I need to verify that the batch was successfully sent?
Answer: You should always verify that the batch went through successfully. There may be instances outside of our control that may interrupt your terminal.

*What if I need paper rolls or manual imprinter slips?*
Answer: Please contact GCF (General Credit Forms) @ 888 868-9098. We have established accounts for our merchants so they can order paper sup-plies directly from the manufacturer.

*What do I do if my terminal doesn't work?*
Answer: Please contact UPC @ 888 868-9098 if it's during our normal business hours. If it's outside of our normal business hours, please contact the help desk. Phone #'s that apply to your merchant account are located in your welcome kit. The help desks are available 24 hours a day 7 days a week.

What do I do if I call the help desk and I get a busy signal?
Answer: The help desk provider has taken steps to always supply you with assistance and you should never encounter a busy signal when calling. If you do, there must have been a significant event that caused an abnormal amount of callers to call at the same time. The credit card processor has multiple levels of redundant backup systems in place to prevent interruptions. There is always the possibility of an event that is out of the control of the credit card processor that may cause an outage (telephone carrier, natural disaster, or act of terrorism). The credit card processor does have contingency plans but they take a few minutes or hours to put into place. During that time, we suggest taking imprints of cards to keep things running smoothly if you want to continue accepting cards. Remember to write down the card's security code (CVV2) in the event you need it later for an approval. You can call for a voice authorization and then later process the offline/post-auth transaction. You could also key the sales in later but you must accept there's a risk that some sales may be declined.
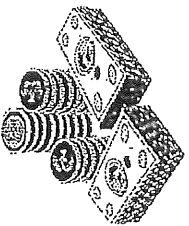
True Next Day Funding
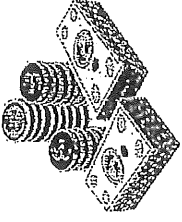
Day of The Week	Close & Balance Deposits Early Close (CST)	ACH Deposit to Merchant Account (Subject to bank delivery)	Close & Balance Deposits Late Close	ACH Deposit to Merchant Account (Subject to bank Deliver)
Monday	6:00 P.M. Monday	Tuesday	12:00 Midnight Tuesday	Wednesday
Tuesday	6:00 P.M. Tuesday	Wednesday	12:00 Midnight Wednesday	Thursday
Wednesday	6:00 P.M. Wednesday	Thursday	12:00 Midnight Thursday	Friday
Thursday	6:00 P.M. Thursday	Friday	12:00 Midnight Friday	Monday
Friday	6:00 P.M. Friday	Saturday	12:00 Midnight Saturday	Monday
Saturday	6:00 P.M. Saturday	Monday*	12:00 Midnight Sunday	Tuesday
Sunday	6:00 P.M. Sunday	Monday	12:00 Midnight Monday	Wednesday

* Federal Reserve is not open to accept batches on Saturday. Saturday and Sunday batches will be on Monday's ACH.

FIRST DATA

[7]

The Club

Our Merchants have requested a program that we think you can benefit from also. The Club allows you the freedom to order paper by phone, have it delivered directly to your location, all without having to search for it around town. All of this for free. The Club also protects your ability to accept transactions at your business.

All paper supplies and ribbons are free, shipping included. Delivered directly to your business.

You'll never have to be without a terminal because it was damaged accidentally. The Club goes above and beyond your standard manufacturers warranty. Your standard warranty replaces the terminal at no cost only if it's malfunctioning. A standard warranty doesn't include the delivery costs to and from the repair facility. A repair facility can take weeks to repair a terminal and it will need to be reprogrammed once it's repaired. During the time its not in your store, you loose the ability to process cards at the lowest possible rates. Your costs are increased while you wait for your terminal to be repaired and sent back.

We've greatly improved this process by including overnight delivery of a replacement terminal for being a member of The Club. When you tell us that your terminal is not working, we'll program a replacement terminal and ship it to you so you'll have it the next day – ready-to-use – all this at no extra cost to you. We'll even pay for the broken equipment to be sent to us.

What do you get for being a member of The Club?

- ☑ All your Point Of Sale equipment is covered (except for obvious neglect/mishandling)
- ☑ Overnight delivery of pre-programmed replacement equipment
- ☑ All shipping costs included
- ☑ Paper supplies and ribbons
- ☑ Continued lowest costs for accepting credit card transactions
- ☑ Pickup of broken equipment

Yes! I want to take advantage of being a member of The Club. I permit UPC to initiate an ACH debit to my account for $10.00 each month for the obligations contained herein.

Merchant Store Name:_____

Merchant Signature:_____ Date:_____

Merchant name (please print):_____

Fax this form to UPC to start your protection and enrollment

In the event that there are insufficient funds to cover the ACH, membership is terminated and program coverage ends. All equipment that has been replaced must be returned to UPC within 30 days. Should the equipment not be returned during this period, it will be assumed that merchant desires to purchase equipment and will be charged accordingly.

We Need Your Help

We need your feedback to ensure we're providing the best service we can. Please take the time to complete this survey and return it via fax or mail. This survey is sent to all of our merchants that we've recently enabled to accept credit cards. If you wish to remain anonymous, you can omit your identifying information.

Thank you

Merchant Name: _____

Merchant Contact: _____

Phone: _____

eMail: _____

Address: _____

_____

1. Did you receive a Welcome Kit (terminal instructions, Help Desk stickers, decals)? ☞ YES   NO
2. Was the Welcome Kit useful to you? ☞ YES   NO
3. Was your account setup in a timely and efficient manner? ☞ YES   NO
4. Have you experienced any unfortunate technical problems with your terminal? ☞ YES   NO
5. Have you called the 24 Hour Help Desk telephone numbers for assistance? ☞ YES   NO
    a. Was the 24 Hour Help Desk helpful? ☞ YES   NO
6. Have you called United Processing Corporation for customer service? ☞ YES   NO
    a. Were they helpful and courteous? ☞ YES   NO
7. Do you understand your monthly statement? ☞ YES   NO
8. Were you given information on plastic gift or loyalty cards? ☞ YES   NO
    a. Are you interested in learning more? ☞ YES   NO
9. Were you given information on electronically converting personal checks to an electronic deposit?
    ☞ YES   NO
    a. Are you interested in learning more? ☞ YES   NO
10. Were you given information on establishing a website to sell your products on the internet? ☞ YES   NO
    a. Are you interested in learning more? ☞ YES   NO
11. Were you given information on processing credit cards on a cellular phone? ☞ YES   NO
    a. Are you interested in learning more? ☞ YES   NO
12. Were you given information on accessing your credit card transaction activity online through the internet?
    ☞ YES   NO
    a. Are you interested in learning more? ☞ YES   NO
13. Were you given information on automatically processing reoccurring ACH debits or credits from your customer's checking accounts? ☞ YES   NO
    a. Are you interested in learning more? ☞ YES   NO
14. If asked, would you be willing to submit a testimonial? ☞ YES   NO
15. What was it that made you select UPC?

Comments: _____

_____

_____

United Processing Corporation

ROLLS, RIBBONS, FORMS, IMPRINTERS...

ONLY *UPC* MERCHANTS CAN UTILZE THIS TOLL-FREE NUMBER FOR
TERMINAL AND CREDIT CARD TRANSACTION SUPPLIES,

CALL TOLL-FREE *1-888-868-9098*

United Processing Corporation has negotiated special pricing with the largest manufacturer and direct distributor of merchant and terminal supplies in the United States, General Credit Forms, Inc.

GCF manufactures and warehouses the largest selection of transaction supplies in the country – rolls to meet the specifications for every terminal and printer (including pay-at-the-pump), ribbons, sales drafts, manual imprinters, check presenters, and more.

With pricing and selection that is better than the big box retailers, and delivery to your front door, call and see why GCF is the vendor of choice for so many merchant locations.

1-888-868-9098

Call us toll-free and use your merchant number to unlock special pricing for UPC merchants.

GCF

TO: All Merchants

FROM: American Express®, Diners Club®, Discover® Card, JCB®, MasterCard International®, Visa® U.S.A.

RE: Merchant Requirements for Securing Cardholder Information

The rising incidence of stolen cardholder account data is a major concern for all participants in the payment industry. As a result of these thefts, merchants and financial institutions suffer fraud losses and unanticipated operational expenses, and consumers are inconvenienced significantly. To protect your business, your customers (cardholders), and the integrity of the payment system, each of the card companies has in place a set of requirements governing the safekeeping of account information. This document gives a brief overview of the most critical aspects of those requirements.

Summary of Card Company Requirements Governing Cardholder Information Security

Storage of Cardholder Information	■ Do not store the following under any circumstance: — Full contents of any track from the magnetic stripe on the back of the card. — Card-validation code—the three-digit value printed on the signature panel of a MasterCard®, Visa®, Discover®, JCB®, or Diners Club® card, and four-digit code printed on the front of an American Express® card. ■ Store only that portion of the customer's account information that is essential to your business—i.e. name, account number or expiration date. ■ Store all material containing this information (e.g., authorization logs, transaction reports, transaction receipts, car rental agreements, and carbons) in a secure area limited to authorized personnel.
Destruction of Cardholder Information	■ Destroy or purge all media containing obsolete transaction data with cardholder information.
Use of Agents or Third Parties (Vendors, Processors, Software Providers, Payment Gateways, or Other Service Providers)	■ Advise each merchant bank or processing contact (representing each of your card brands) of any agents that engage in, or propose to engage in, the processing or storage of transaction data on your behalf—regardless of the manner or duration of such activities. ■ Make sure these agents adhere to all rules and regulations governing cardholder information security. Any violation by your agent may result in unnecessary financial exposure and inconvenience to your business.
Reporting a Security Incident	■ In the event that transaction data is accessed or retrieved by any unauthorized entity, notify the merchant bank or processing contact for each card brand immediately. ■ This report will not only minimize risk to the payment system, but protect your customers in the most responsible manner. Systems and procedures are in place to immediately stop the unauthorized use of compromised data, but are effective only when you do your part to promptly report a security incident.

We continue to work on your behalf to reduce payment card fraud, and offer this communication to enhance your awareness, minimize risk, and protect your customers. If you have any questions or would like to have more information, please visit our web sites or contact your representatives for any of the card brands sponsoring this correspondence.

V.052504

Dear Merchant:

Here at United Processing Corporation we know your privacy is of the utmost importance to you. We have been safeguarding your privacy by maintaining high standards and establishing procedures designed to prevent misuse of your personal and financial information. We are committed to continuing this tradition. The following standards have been established to protect your privacy.

Information We Collect
We collect nonpublic personal information about you from the following sources:
- Information we received from you on applications or on other forms - such as name, address, social security number, etc.
- Information about your transactions with us, and the information we receive from the processor.

Information We Disclose
We do not disclose any nonpublic personal information about our customers or any of our former customers to anyone, except as permitted by law, which includes service partners who assist us in providing service for you.

Confidentiality and Security
We restrict access to nonpublic information about you to those employees who need to know that information to provide products and services to you. We maintain physical, electronic, and procedurals safeguards that comply with federal standards to guard your nonpublic personal information.

Our Commitment To Your Privacy
We are committed to safeguarding your confidential information. We promise to work with you to make privacy a top priority and to maintain the highest level of confidentiality.

Should you have any questions or comments concerning our commitment to your privacy, please contact us at 293 Rte. 100, Somers, NY 10589 or call us at (800) 482-0697

Sincerely,

James F. Chisholm
President and CEO

Address Verification Service (AVS)
Response Code Definitions
First Data - Omaha Platform

A: Address matches, ZIP code does not match

B: Street addresses match for international transaction, postal code not verified due to incompatible formats

C: Street address and postal code not verified for international transaction due to incompatible formats

D: Street addresses and postal codes match for international transaction

G: Address information not verified for international transaction; global non-AVS participant

N: Neither address nor ZIP code matches

P: Postal codes match for international transaction, street address not verified due to incompatible formats

R: Reenter; AVS unavailable

S: AVS is not supported

U: Address information not verified for domestic transaction

W: Nine-digit ZIP code matches, address does not match

X: Address and 9 digit ZIP code match

Y: Address and 5 digit ZIP code match

Z: Five-digit ZIP code matches, address does not match

(Blank): Not applicable; verification request not generated

Card Verification Value (CVV)
Response Code Definitions
First Data - Omaha Platform

M: Match

N: No match

P: Not processed by the card-issuing bank

S: CVV2 was reported by cardholder as missing but is reported by card-issuer to be on the card

What is "Interchange" and how does it work?

The definition of interchange is as follows: Interchange is the fees associated with exchange of transaction data between Acquiring and Issuing institutions in accordance with the Visa® and MasterCard® bylaws and rules. Interchange is the processing fee charged by Visa® and MasterCard® to charge the cardholders and pay the merchants. The interchange fee is actually paid to the bank that issued the card while the merchant's bank is charged the interchange fee. Merchant's transactions are gathered for processing every night; these transactions are routed to the cardholders to be charged and merchants are credited accordingly.

Why are the three rates separated?

It is necessary to maintain three separate rates in the pricing process, due to various levels of interchange. Interchange is the fee that Visa® and MasterCard® charge to clear you transaction to the cardholder's bank. This fee varies depending on the way you are conducting business (face-to-face or card-not-present), your business type, and the type of cards that are processed at your point of sale. Interchange is the largest expense component of our pricing. UPC's three tiered rates allow for the proper pricing as it relates to each individual transaction and it processing interchange.

Qualified ("Sales Discount" on your monthly statement): These transactions are card present, retail, face-to-face transaction that is card swiped and the merchant batches out at the end of the day.

Mid-Qualified ("Mid-Qual Sales Disc" on your monthly statement): A card-not-present transaction, which includes the billing address and invoice number being passed for a sale transaction. The discount rate for this transaction is higher than the discount rate for a Qualified transaction.

Non-Qualified ("Non-Qual Sales Discount" on your monthly statement): A card-not-present transaction, which does not include the billing address and invoice number being passed for a sale transaction. This also applies to charges on Government, Corporate and Foreign Cards and when sales transactions are not batched within 24 hours. The discount rate for this transaction is higher than the discount rate for a Mid-Qualified transaction.

Discover Interchange Programs
Effective April 17, 2009

Q	
M	
N	

INTERCHANGE PROGRAM	FACSRTL
PSL - Recurring Payments (Rewards)	Q
PSL - Recurring Payments (DB)	Q
PSL - Supermarkets/Warehouse Clubs (Rewards)	Q
PSL - Supermarkets/Warehouse Clubs (DB)	Q
PSL - Emerging Markets (Rewards)	Q
PSL - Emerging Markets (DB)	Q
PSL - Public Services (Rewards)	Q
PSL - Public Services (DB)	Q
PSL - Express Services (Rewards)	M
PSL - Express Services (DB)	M
PSL - Petroleum (Rewards)	M
PSL - Petroleum (DB)	Q
PSL - Retail (Rewards)	Q
PSL - Retail (DB)	Q
PSL - Restaurants (Rewards)	Q
PSL - Restaurants (DB)	Q
PSL - Hotel/Car Rental (Rewards)	M
PSL - Hotel/Car Rental (DB)	Q
PSL - Passenger Transport (Rewards)	N
PSL - Passenger Transport (DB)	M
PSL - Card Not Present/E-Commerce (Rewards)	N
PSL - Card Not Present/E-Commerce (DB)	M
PSL - Key Entry (Rewards)	N
PSL - Key Entry (DB)	M
Commercial Electronic Submission Level	N
Mid Submission Level (Rewards)	N
Mid Submission Level (DB)	M
Base Submission Level (Rewards)	N
Base Submission Level (DB)	N
Commercial Base Submission Level	N
Consumer Adjustment Voucher Program 1 (Rewards)	N
Consumer Adjustment Voucher Program 1 (DB)	N
Consumer Adjustment Voucher Program 2 (Rewards)	N
Consumer Adjustment Voucher Program 2 (DB)	M
Consumer Adjustment Voucher Program 3 (Rewards)	M
Consumer Adjustment Voucher Program 3 (DB)	Q
Commercial Adjustment Voucher Program 1	N
PSL - Utilities (Rewards)	Q
PSL - Utilities (DB)	Q
PSL - Supermarkets/Warehouse Clubs Premium	Q
PSL - Emerging Markets Premium	Q
PSL - Public Services Premium	Q
PSL - Express Services Premium	M
PSL - Petroleum Premium	M
PSL - Retail Premium	M
PSL - Restaurants Premium	N
PSL - Hotel/Car Rental Premium	N
PSL - Passenger Transport Premium	N
PSL - Card Not Present/E-Commerce Premium	N
PSL - Key Entry Premium	N
Mid Submission Level Premium	N
Base Submission Level Premium	N
Consumer Adjustment Voucher Program 1 Premium	Q
Consumer Adjustment Voucher Program 2 Premium	Q
Consumer Adjustment Voucher Program 3 Premium	Q
PSL-Recurring Payments (Core)	Q
PSL Utilities (Core)	Q

Discover Interchange Programs
Effective April 17, 2009

Q	
M	
N	

INTERCHANGE PROGRAM	FACSRTL
PSL- Supermarket/Warehouse Clubs (Core)	Q
PSL Emerging Markets (Core)	Q
PSL Public Services (Core)	Q
PSL Express Services (Core)	M
PSL Petroleum (Core)	M
PSL Retail (Core)	Q
PSL Restaurant (Core)	Q
PSL Hotels/Car Rental (Core)	M
PSL Passenger Transport (Core)	N
PSL Card Not Present/E-Commerce (Core)	N
PSL Key Entry (Core)	N
Mid Submission Level (Core)	N
Base Submission Level (Core)	N
Consumer Adjustment Voucher Program 1 (Core)	N
Consumer Adjustment Voucher Program 2 (Core)	N
Consumer Adjustment Voucher Program 3 (Core)	M
PSL Real Estate (Core)	Q
PSL Real Estate (Rewards)	Q
PSL Real Estate Premium	Q
PSL Real Estate Debit	Q
PSL Insurance (Core)	Q
PSL Insurance (Rewards)	Q
PSL Insurance Premium	Q
PSL Insurance Debit	Q
Commercial Utilities	Q

MasterCard Interchange Programs
Effective April 17 2009

| Qual |
| Mid |
| Non |

INTERCHANGE PROGRAM	FACSRTL
Acquirer UCAF	M
Business World/World Elite Corporate Data Rate 2- Petroleum	N
Business World/World Elite Face to Face- Petroleum	N
Commercial Large Ticket II	Q
Commercial Large Ticket Rate 1 MPG	Q
Commercial Large Ticket Rate 1 MPG (MAB/MWB)	Q
Commercial Large Ticket Rate II MPG	M
Commercial Large Ticket Rate II MPG(MAB/MWB)	M
Commercial Large Ticket Rate III MPG	Q
Commercial Large Ticket Rate III MPG (MAB/MWB)	M
Commercial T& E I-Corporate	N
Commercial T&E II-Corporate	N
Commercial T&E III-Corporate	N
Commercial T&E III-Purchase/Fleet	N
Commercial T&E II-Purchase/Fleet	N
Commercial T&E I-Purchase/Fleet	N
Commerical Large Ticket III	Q
Consumer Credit Core- Bill Payment Insurance	Q
Consumer Credit Core- Bill Payment Real Estate	Q
Consumer Credit Enhanced Value- Bill Payment Insurance	Q
Consumer Credit Enhanced Value- Bill Payment Real Estate	Q
Consumer Credit Refund Group 1	N
Consumer Credit Refund Group 2	N
Consumer Credit Refund Group 3	M
Consumer Credit Refund Group 4	M
Consumer Credit Refund Group 5	M
Consumer Credit World- Bill Payment Insurance	Q
Consumer Credit World- Bill Payment Real Estate	Q
Consumer Credit World Elite- Bill Payment Insurance	M
Consumer Credit World Elite- Bill Payment Real Estate	M
Consumer Debit- Bill Payment Real Estate	Q
Consumer Debit Refund Group 1	M
Consumer Debit Refund Group 2	M
Consumer Debit Refund Group 3	Q
Consumer Electronic Full UCAF	M
Consumer Standard	N
Consumer Standard (Domestic) Debit	M
Convenience Purchase	M
Corp Card T&E I	N
Corp Card T&E II	N
Corporate Card Standard	N
Corporate Card T&E III	N
Corporate Credit Refund Group 1	N
Corporate Credit Refund Group 2	N
Corporate Credit Refund Group 3	N
Corporate Credit Refund Group 4	N
Corporate Data Rate 2- Business Card	N
Corporate Data Rate 2- Fleet	N
Corporate Data Rate 2- Petroleum	N
Corporate Data Rate 2- Purchase Card	N
Corporate Electronic Full UCAF	M
Corporate Face to Face	N
Corporate Large ticket	Q
Corporate Products Data Rate I	N
Corporate Products Data Rate II	N
Corporate Products Data Rate III	M
Data Rate I	N
Data Rate II	N
Data Rate III	M
Domestic Acquirer Foreign Electronic	Q
Domestic Acquirer Foreign Standard	N
Domestic Acquirer UCAF	M
Domestic Aquirer UCAF Debit	Q

MasterCard Interchange Programs
Effective April 17 2009

Qual	
Mid	
Non	

INTERCHANGE PROGRAM	FACSRTL
Domestic Full UCAF	M
Domestic Full UCAF	N
Domestic Full UCAF Debit	Q
Domestic Merchant UCAF	M
Electronic Commercial International	M
Electronic Consumer	Q
Emerging Markets Debit	Q
Enhanced Service Industry	Q
Enhanced Convenience Purchase	M
Enhanced Full UCAF	M
Enhanced Key Entered	N
Enhanced Merchant UCAF	M
Enhanced Merit 1	N
Enhanced Merit III Base	M
Enhanced Merit III Tier 1	Q
Enhanced Merit III Tier 2	Q
Enhanced Merit III Tier 3	M
Enhanced Passenger Transport	M
Enhanced Petroleum Base	M
Enhanced Public Sector	M
Enhanced Standard	N
Enhanced Supermarket Base	Q
Enhanced Supermarket Tier 1	Q
Enhanced Supermarket Tier 2	Q
Enhanced Supermarket Tier 3	Q
Enhanced Travel Industries	M
Enhanced Utilities	Q
Enhanced Warehouse Club Base	Q
Enhanced Warehouse Club Tier 1	Q
Face to Face	N
Face to Face- Business Card	N
Face to Face- Fleet	N
Face to Face- Petroleum	N
Face to Face- Purchase Card	N
Fleet Data Rate I	N
Fleet Large Ticket	Q
Fleet Standard	N
Foreign Electronic	Q
Foreign Standard	M
Full UCAF	M
High Value Airline	N
High Value Convenience Purchase	M
High Value Full UCAF	N
High Value Key-Entered	N
High Value Merchant UCAF	N
High Value Merit 1	N
High Value Merit 1 Insurance	M
High Value Merit 1 Real Estate	M
High Value Merit 3 Base 1	M
High Value Merit 3 Tier 1	M
High Value Merit 3 Tier 2	M
High Value Merit 3 Tier 3	M
High Value Petroleum Base	M
High Value Public Sector	M
High Value Restaurant	M
High Value Service Industries	Q
High Value Standard	N
High Value Supermarket Base	M
High Value Supermarket Tier 1	Q
High Value Supermarket Tier 2	Q
High Value Supermarket Tier 3	M
High Value T&E	N
High Value T&E Large Ticket	M

Qual	
Mid	
Non	

INTERCHANGE PROGRAM	FACSRTL
High Value Utilities	Q
High Value Warehouse Base	Q
High Value Warehouse Tier 1	Q
International Corp Bus Card	M
International Corp Bus Card II	M
International Corp Large ticket	Q
International Corp Purchasing	M
Internet Domestic Acquiring Foreign Standard	N
Internet Merit 1 Airline	M
Internet Merit I	M
Internet Standard	N
Key-entered	M
Key-entered Debit	M
Large Ticket	Q
Large Ticket II	Q
Large Ticket III	Q
Merit III Tier 1 Credit	Q
Merit I	M
Merit I Airline	M
Merit I Debit	M
Merit I Internet Debit	M
Merit III Base	Q
Merit III Debit	Q
Merit III Tier 2 Credit	Q
Merit III Tier 3 Credit	Q
Passenger Transport	M
Passenger Transport Debit	M
Petrol CAT/AFD Debit	Q
Petroleum Base	M
Petroleum/Service Stations Debit	Q
Public Sector	M
QPS - Merit I	M
QPS - Merit III	Q
QPS - Standard	N
Restaurant Debit	Q
Service Industries Provider	Q
Service Industries Provider Debit	Q
Small Ticket Debit	Q
Standard	N
Standard Internet Debit	M
Supermarket	Q
Supermarket Debit	Q
Supermarket Tier 1 Credit	Q
Supermarket Tier 2 Credit	Q
Supermarket Tier 3 Credit	Q
T&E Rate I	N
T&E Rate II	N
T&E Rate III	N
TIPS (Cruise Lines)	Q
TIPS (Lodging/Hotels)	Q
TIPS (Vehicle Rental)	Q
TIPS Debit	Q
US Acq International Corp Bus	N
US Acq International Corp Purch	N
Utilities-Credit	Q
Utilities-Debit	Q
Utilities-World Card	Q
Warehouse	Q
Warehouse Club Debit	Q
Warehouse Club Tier 1 Credit	Q
World Card Convenience Purchase	M
World Card Full UCAF	M

MasterCard Interchange Programs
Effective April 17 2009

Qual
Mid
Non

INTERCHANGE PROGRAM	FACSRTL
World Card Key Entered	N
World Card Merchant UCAF	M
World Card Merit 1	N
World Card Merit III Base	M
World Card Merit III Tier 1	M
World Card Merit III Tier 2	M
World Card Merit III Tier 3	M
World Card Public Sector	M
World Card Restaurant	M
World Card Service Industries	Q
World Card Standard	N
World Card Supermarket Base	M
World Card Supermarket Tier 1	Q
World Card Supermarket Tier 2	Q
World Card Supermarket Tier 3	Q
World Card T&E	N
World Card Warehouse Club Base	Q
World Card Warehouse Club Tier 1	Q
World Elite Airline	N
World Elite Convenience Purchase	M
World Elite Full UCAF	N
World Elite Key Entered	N
World Elite Merchant UCAF	N
World Elite Merit 1	N
World Elite Merit III Base	N
World Elite Merit III Tier 1	M
World Elite Merit III Tier 2	M
World Elite Merit III Tier 3	M
World Elite Petroleum Base	M
World Elite Public Sector	M
World Elite Restaurant	M
World Elite Service Industries	Q
World Elite Standard	N
World Elite Supermarket Base	M
World Elite Supermarket Tier 1	Q
World Elite Supermarket Tier 2	Q
World Elite Supermarket Tier 3	M
World Elite T&E	N
World Elite T&E Large Ticket	M
World Elite Utilities	Q
World Elite Warehouse Club Base	Q
World Elite Warehouse Club Tier 1	Q
World Petroleum Base	M

INTERCHANGE PROGRAM	FACSRTL
Account Funding Debit	M
Automated Fuel Dispenser	Q
Business Card - Business to Business	N
Business card - Retail	N
Business Card Interregional Airline	M
Business Card- Non-Travel Service	N
Business Card/Commercial Card Electronic - A/O	M
Business Card/Commercial Card Electronic - Passenger Transport	M
Business Card/Commercial Card Standard - A/O	N
Business Card/Commercial Card Standard - Passenger Transport	N
Business card-Card Not Present	N
Business Electronic	N
Business Electronic-Passenger	N
Check Card II Supermarket	Q
Consumer Card Interregional Airline	Q
Corporate Card- Business to Business	N
Corporate card - Retail	N
Corporate Card- Non-Travel Service, Level 2	M
Corporate card-Card Not Present	N
CPS Account Funding	M
CPS Account Funding - T&E	M
CPS Account Funding - T&E Debit	M
CPS Automated Fuel Debit	Q
CPS Card Not Present Debit (Mail/Phone-Debit)	M
CPS Debit Tax Payment 1	Q
CPS Debit Tax Payment 2	Q
CPS Debt Payment	Q
CPS Direct Marketing	M
CPS Electronic Commerce Basic	M
CPS Electronic Commerce Basic Debit	M
CPS Electronic Commerce Basic T&E	M
CPS Electronic Commerce Basic T&E Debit	M
CPS Electronic Commerce Preferred	M
CPS Electronic Commerce Preferred Debit	M
CPS Electronic Commerce Preferred Hotel/Car Rental	M
CPS Electronic Commerce Preferred Hotel/Car Rental Debit	Q
CPS Electronic Commerce Preferred Passenger Transport	M
CPS Electronic Commerce Preferred Passenger Transport Debit	M
CPS Electronic Commerce Preferred T&E	M
CPS Electronic Commerce Preferred T&E Debit	M
CPS Hotel/Car Rental Card Not Present Crdt	Q
CPS Hotel/Car Rental Card Not Present Debit	Q

INTERCHANGE PROGRAM	FACSRTL
CPS Hotel/Car Rental Card Present Crdt	Q
CPS Hotel/Car Rental Card Present Debit	Q
CPS Mail/Phone (Card Not Present) Crdt	M
CPS Passenger Transport Debit	M
CPS Restaurant Credit	Q
CPS Restaurant Debit	Q
CPS Retail - T&E Credit	M
CPS Retail 2 Debit (Select Developing Mrkts-Debit)	Q
CPS Retail Check Card Debit	Q
CPS Retail Credit	Q
CPS Retail Key Entered A/O	M
CPS Retail Key Entered Debit	M
CPS Retail Key Entered T&E	M
CPS Retail Key Entry T&E Debit	M
CPS Retail Passenger Transport Credit	M
CPS Retail Service Station Credit	Q
CPS Retail Service Station Debit	Q
CPS Retail Tier 2 Credit	Q
CPS Retail Tier 2 Debit	Q
CPS Retail Tier 3 Credit	M
CPS Retail Tier 3 Debit	Q
CPS Retail Tier I Credit	Q
CPS Retail Tier I Debit	Q
CPS Rewards 2	M
CPS Rewards I	M
CPS Small Ticket	Q
CPS Supermarket Check Card Debit	Q
CPS Supermarket Tier 2 Credit	Q
CPS Supermarket Tier 2 Debit	Q
CPS Supermarket Tier 3 Credit	Q
CPS Supermarket Tier 3 Debit	Q
CPS Supermarket Tier I Credit	Q
CPS Supermarket Tier I Debit	Q
CPS Utility Business	M
Credit Voucher- Mail Order, Telephone Order Credit	N
Credit Voucher- Non-Passenger Transport, Consumer Credit	M
Credit Voucher- Passenger Transport, All Card Types	N
Domestic A/O	N
EIRF Credit	N
EIRF Debit	N
Electron Card - Retail	Q

INTERCHANGE PROGRAM	FACSRTL
Electron Card - Supermarket	Q
Electron Card - T&E	Q
Electronic Commerce Merchant-Non-Authenicated	Q
Electronic Debit AFD/Service Stations	M
Express Payment Service Debit	M
Foreign Electronic	Q
Foreign Standard	M
GSA G2G	Q
GSA Large Ticket	Q
GSA Purchasing Card Large Ticket I	Q
International Merchant	Q
International Merchant- Electronic	Q
International Merchant- Infinite Card	M
International Merchant- Signature	M
International Merchant Signature Card	M
Prepaid Load General Merchant	Q
Prepaid Load Supermarket	Q
Purcahse Card Large Ticket- International Merchant	Q
Purchase Card Non-Travel Service Level 3	M
Purchase Card- Non-Travel Service, Level 2	M
Purchasing card - Retail	N
Purchasing Card-Business to Business	N
Purchasing card-Card Not Present	N
Purchasing card-Electronic with Data	N
Purchasing Electronic- Non-Passenger	N
Purchasing Electronic- Passenger Transport	N
Secure Electronic Commerce-Authenicated	Q
Select Developing Markets (CPS Retail II or Market Specific)	Q
Signature Card A/O Standard	N
Signature Card Passenger Transport Standard	N
Signature Electronic	M
Signature Preferred- B2B	N
Signature Preferred- Card Not Present	N
Signature Preferred Electronic	N
Signature Preferred Interregional	M
Signature Preferred- Retail	N
Signature Preferred Standard	N
Small Ticket Debit	Q
Standard Debit	N
Supermarket Credit	Q
US Credit Voucher Commercial Non-Passenger Transport	N

INTERCHANGE PROGRAM	FACSRTL
US Credit Voucher Consumer Mail Order/Telephone Order/Electronic Comm Debit	M
US Credit Voucher Consumer Non-Passenger Transport Debit	Q
US Purchase Large Tckt(Emerging Market Large Ticket)	Q
US Signature Interregional Airline	M
US Visa Signature Preferred Fuel	Q
Utility Credit	Q
Utility Debit	Q
Visa Signature Interregional	M

Interchange Untangled

Every time a cardholder uses a credit card or offline debit card, the merchant is charged a percentage of each transaction, usually called a discount fee. The discount rate is largely comprised of the interchange and assessments. Interchange is the price charged by the issuing bank directly to the Acquirer for processing the transaction.

All other cards such as American Express and JCB set their own discount rates.

Generally, the discount fee that a merchant is charged depends on several factors including:

- Interchange Category (type of business)
- Card Present/Card Not Present
- Retail of Internet
- Merchant Credit Standing
- Risk Potential

A retail business will naturally be charged a lower rate than a mail order business due to the fact that the chance for fraud is much less with a card present transaction.

The normal terms for these fee categories are as follows:

1. Qualified Rate – the lowest rate a merchant will receive – this is when the merchant swipes the card and the credit card terminal reads it properly and the transaction is batched within the specified time frame.
2. Mid-Qualified – this is the rate that does not qualify for the lowest interchange level. This could be a hand keyed transaction or MOTO/internet merchant.
3. Non-Qualified – these are the highest rates. These are rates for purchasing cards, foreign cards or paper-based transactions.

Since there are other 225 different levels of interchange, in order for a merchant to be charged on a three-tier rate structure, the discount rate would need to cover all cost contingencies. It would benefit a merchant to be charged a set fee over the cost of interchange but most Acquirers do not offer this rate program.

Question: I would like to know what the different downgrades are, what causes them, and maybe even what they mean per MID- and NON-qualified category. Let me re-word that. What subcategories are within MID- and NON-qualified transactions? Also, what is the fee directly billed from Visa/MC (pass thru) for these downgraded transactions?

Answer: It would be best to first clarify the scale of interchange as it relates to the conditions surrounding the sale transaction and also to the card product presented at the point-of-sale. Retail merchants, as a general rule, are priced by an acquirer to assume that they will qualify for the best interchange rate, generally given to the lowest risk transaction. The parameters that dictate interchange, at a very high-level view, are consumer card product, face-to-face sale, card present with mag stripe read and batch transmission by the merchant the same day as the transaction.

If a transaction deviates from these conditions in any way, the transaction is considered to "downgrade" from the lowest interchange rate available. Where the transaction ultimately falls is determined by which of those conditions has varied; i.e., key-entered, corporate card, batch timeliness, etc.

The base of any discount rate is always calculated by the Interchange category in which a transaction falls based on the "condition" of the card product presented and the "behavior" consummating the transaction.

In commercial card products, there is a separate scale that also takes into account the level of data (i.e., I, II, or III) that has been entered along with the transaction. Level III requires the highest amount of data, including line-item

detail. This is, in essence, a product-by-product listing of the purchased items. If any of the required data is missing, the transaction is downgraded to II or I, depending on the specific data included with the transaction.

Supermarket Rates

Both Visa and MasterCard have special reduced-rate interchange programs in place to entice supermarkets to accept credit and check cards at the POS. The supermarket industry convinced the associations that grocery store profit margins were too slim to afford the same interchange rates applied to retail merchants.

Visa CPS Supermarket Check Card Rate

For a transaction to qualify for this rate, a Visa-branded check card must be used to make the purchase. The Merchant Category Code (MCC) for the location must be 5411, the transaction must meet all the Visa Custom Payment Service (CPS) Retail requirements and the merchant has to have been pre-approved by Visa to participate in the program. To be certified by Visa, the merchant must sign a form available from the acquiring bank. The merchant must meet the following requirements:

- Be a retail store primarily engaged in selling food for home preparation and consumption
- Offer a complete line of food merchandise, including self-service groceries, meat, produce and dairy products
- Have monthly perishables (defined as packaged and in-store bakery goods, dairy products, delicatessen products, floral items, frozen foods, meat and produce) representing at least 45% of total monthly sales
- Accept credit cards for purchase of all goods and services sold in the store at all check out lanes that accept checks

Once the form is completed and sent to Visa through the acquirer, it can take four to eight weeks for an approval. Once the approval is granted, work with the acquirer and/or processor to ensure the merchant is set up to correctly process as a SIP merchant.

Visa CPS Supermarket Tier II Rate

For a transaction to qualify for this rate, a Visa-branded credit card must be used to make the purchase. The MCC for the location must be 5411, and the transaction must meet all the Visa CPS Retail requirements. This rate replaces what used to be known as CPS Supermarket Credit Card.

Visa CPS Supermarket Tier I Rate - Select Merchant

For a transaction to qualify for this rate, a Visa-branded credit card must be used to make the purchase. The MCC for the location must be 5411, and the transaction must meet all the Visa CPS Retail requirements.

The merchant must also meet specific monthly processing volume requirements. For a 12-month period, the merchant must have processed at least 24 million transactions resulting in $1 billion in gross sales volume.

MasterCard Supermarket Rate - Debit (Offline) and Credit

For a transaction to qualify for this rate, it will depend on whether a credit card or check card (offline debit) was used to make the purchase. The MCC for the location must be 5411. The transaction must meet all the Merit III requirements, and the merchant must be pre-approved by MasterCard to participate in the program.

To be certified by MasterCard, the acquiring bank must submit the proper form to MasterCard on the merchant's behalf. The merchant must meet the following requirements:

- Be a retail store primarily engaged in selling food for home preparation and consumption
- Offer a complete line of food merchandise, including self-service groceries, meat, produce and dairy products
- Have monthly perishables (defined as packaged and in-store bakery goods, dairy products, delicatessen products, floral items, frozen foods, meat and produce) representing at least 45% of total monthly sales
- Accept credit cards for purchase of all goods and services sold in the store at all check out lanes that accept checks

Once the acquirer completes and sends the form to MasterCard, it can take four to eight weeks for an approval. Once the approval is granted, work with the acquirer and/or processor to ensure the merchant is set up to correctly process as a supermarket merchant.

Visa CPS Retail Rate - Tier II

CPS (Custom Payment Service) Retail is the most common rate qualification for merchants that perform transactions in a face-to-face environment. To qualify for this rate:

- The cardholder, card, merchant and card-reading point-of-sale (POS) device must all be present at the time of the sale.
- The card must be swiped for authorization, and the full, unaltered contents of the magnetic stripe must be sent for authorization.
- Only one authorization is allowed per transaction.
- The transaction must be settled within 24 hours of the transaction date.
- The merchant must obtain an authorized signature on the receipt.
- Restaurant transactions must be settled within 20% of the authorized amount in order to allow for tip adjustments.

Visa CPS Rewards 1 (Traditional Rewards)

If a card-issuing bank has a rewards program tied to the card, this level if interchange is charged. This transaction must meet all the same *card swiped* requirements for one of the following: Retail, Supermarket, Automated Fuel, and Service Station.

Visa CPS Rewards 2 (Traditional Rewards)

If a card-issuing bank has a rewards program tied to the card, this level if interchange is charged. This transaction must meet all the same requirements for one of the following: Card Not Present, Retail Key Entry, E-Commerce, Hotel/Car Card Present or Hotel/Car Card Not Present, and Restaurant.

Visa CPS Retail Check Card Rate

(This is the Visa debit card product.)

This transaction must meet all the same CPS Retail requirements as the Tier II transaction. The only difference is that cardholders make the transaction with a Visa-branded check card linked to their bank accounts and not to a credit line such as a standard credit card.

Visa CPS Retail Rate - Tier I - Select Merchants

For a transaction to qualify for this rate, the cardholder must use a Visa-branded credit card to make the purchase, and the transaction must meet all the same CPS Retail criteria as Tier II transactions.

The merchant must meet specific monthly and annual processing volume requirements set by Visa. In a twelve-month period, the merchant must process at least 45 million CPS Retail credit transactions resulting in $1.5 billion in gross sales volume.

MasterCard Merit 3 Rate

Merit 3 is the most common rate qualification for merchants that perform transactions in a face-to-face environment. To qualify for this rate:

- The cardholder, card, merchant and card-reading POS device must be present at the time of the sale.
- The card must be swiped for authorization, and the full, unaltered contents of the magnetic stripe must be sent for authorization.

- Only one authorization is allowed per transaction, and the transaction must be settled within 24 hours of the transaction date.
- The merchant must obtain an authorized signature on the receipt.
- Restaurant transactions must be within 25% of the authorized amount; all other transactions must be within 10% of the authorized amount.
- Hotel and Car Rental transactions where the magnetic stripe was read and where the required T&E (Travel and Entertainment) data (check-in/check-out date, folio number, etc.) will qualify if settled within 24 hours of the transaction date, which is also the check out date.

Visa Custom Payment Service (CPS) Retail 2 Transactions for Select Emerging Markets

This type of transaction is restricted to specific market sectors that Visa targets to increase card usage. These include government agencies; schools; utilities; insurance companies; and cable and other pay television Merchant Category Codes (MCCs) [4899, 4900, 5960, 6300, 8211, 8220, 8299, 9211, 9222 and 9399].

The transaction must be key-entered and electronically authorized. It must also be sent for processing within 24 hours of the authorization. These transactions are not required to use Address Verification Service (AVS) to be authorized.

Visa CPS/Automated Fuel Dispenser Transactions

This category was created specifically for petroleum merchants using pay-at-the-pump terminals. The MCC must be 5542 and be registered and certified with Visa. Only one electronic authorization per transaction is allowed, and the complete unaltered contents of the magnetic stripe have to be transmitted. The transaction must be sent for processing within 24 hours of the authorization.

A $1 status check, usually referred to as the "pre-auth," is sent as part of the transaction authorization. The settlement amount must be less than or equal to $75 to qualify for this rate. The merchant's name and location must be provided in the authorization record.

MasterCard Service Industries Incentive Program (SIIP) Transactions

This type of transaction is restricted to specific market sectors that MasterCard is targeting to increase card usage. It applies only to MasterCard-branded consumer cards and is restricted to key-entered transactions for telecommunication equipment and services; cable and other pay television services; utilities; and insurance MCCs (4812, 4814, 4899, 4900, 5960 and 6300). An electronic authorization is required, and the transaction must be settled within one day of the authorization. The transaction must also include a special indicator in authorization and settlement records. The merchant is required to sign a marketing agreement with MasterCard.

MasterCard Warehouse Club Transactions

Transactions in this category must meet all Merit III requirements. The merchant must be registered with and qualified by MasterCard as a warehouse club merchant with a MCC 5300.

MasterCard Public Sector Transactions

This transaction type is restricted to specific market sectors: court fees; payment of fines; bail bonds; taxes and government services not classified elsewhere (9211, 9222, 9223, 9311 and 9399). The transaction type only applies to consumer cards; an electronic authorization is required, and it must be settled within two days of the authorization.

Custom Payment Service (CPS) Hotel/Car Rental - Card Present Rate

To qualify for this rate, a transaction must be conducted in a face-to-face environment as a swiped transaction. Multiple authorizations are allowed with industry-specific data that include authorization increments and reversals

needed to meet amount tolerance requirements. (The settled amount must be within 15% of the authorized amount. One authorization reversal is allowed to achieve this.)

The total authorization amount and the estimated length of hotel stay or car rental must also be submitted. The full magnetic stripe must be read and transmitted; a signature must be obtained.

The transaction must clear within two days and include the following industry-specific data: purchase date (must be the same as the hotel check-in and -out dates/car check-out and return dates); market-specific authorization data; indicator from authorization; folio number/rental agreement number; total authorized amount and indicators for any ancillary charges, if applicable.

CPS Hotel/Car Rental - Card Not Present Rate

The transaction must meet ALL requirements for CPS Hotel/Car Rental - Card Present except the signature and full swipe of the magnetic stripe contents is not required. The indicator for Preferred Customer is required in the authorization and settlement records. The merchant also forfeits chargeback rights on "Invalid Travel & Entertainment (T&E) transactions." All hotel and auto rental Merchant Category Codes (MCCs) are eligible for this category.

CPS Hotel/Car Rental - e-commerce Preferred Rate

The requirements for this category are the same as for CPS Hotel/Car Rental Card Not Present except the card and the cardholder are not at the merchant location and the transaction takes place in a secure Internet environment using Verified by Visa. The magnetic stripe cannot be read; the chip is not required to be read; the authorization request is approved; and the receipt is not signed.

Visa CPS/Passenger Transport Rate

To qualify for the CPS/Passenger Transport rate a transaction must have only one authorization. The magnetic stripe is not required, though it can be present. A cardholder signature and contract must be on file.

The transaction must clear within eight days and include the following industry-specific data: multiple clearing messages identified by the ticket sequence number and count; purchase date that is the same as the authorization date; ticket number; itinerary information number; and restricted ticket indicator number. CPS Passenger Transport - e-Commerce Preferred Rate

The requirements for this category are the same as for CPS/Passenger Transport except the card and the cardholder are not at the merchant location and the transaction takes place in a secure Internet environment using Verified by Visa. The magnetic stripe cannot be read; the chip is not required to be read; the authorization request is approved; and the receipt is not signed.

MasterCard Travel Industries Premier Service (TIPS) Rate

This category is for merchants who are certified with MasterCard to participate; a Preferred Customer indicator is required. The transaction must be electronically authorized and the cardholder signature and magnetic stripe swipe are not required.

The merchant will forfeit chargeback rights on "fraudulent transaction-no imprint" chargebacks. The transaction must be settled within 24 hours. It is limited to merchant-specific registered Hotel/Car rental MCCs and all cruise line transactions.

MasterCard Passenger Transport Rate

To qualify for this rate, a transaction must have only one authorization. The magnetic stripe is not required. The category applies only to consumer cards. It requires the 635/636 Passenger Transport Format 1 and Format 2 records. It applies to airlines and passenger railway MCCs (3000 – 3350, 4511, 4112).

MasterCard Convenience Purchases Rate

This category applies to several types of merchants. Transactions must meet Merit III or Automated Fuel Dispenser (AFD) requirements including magnetic stripe data. It is for fast food, convenience stores, gas, AFD and movie theaters (5814, 5499, 5541, 5542, 7832).

Transactions must be settled within 24 hours of authorization. The card must be present and swiped for authorization, and the magnetic stripe must be read. Transactions initiated with a transponder will qualify without the magnetic stripe data.

The category applies to transactions below an amount of $25; transactions above $25 qualify for Merit III. It applies to all AFD (MCC 5542) transactions (no break-even applied) as long as the merchant is a registered, qualified petroleum merchant and the CAT Level 2 terminal indicator is sent in the authorization message.

Visa Custom Payment Service (CPS) Retail Key-Entry Rate

To qualify for this rate, the card, cardholder, merchant and terminal are all present at the time of the transaction. The magnetic stripe cannot be read and the account number is key-entered; the authorization request is approved and the receipt is signed. Only one authorization per clearing record is allowed, the cardholder must be present and a signature must be obtained. Mail/telephone or e-commerce transactions are not allowed in this rate category. Transactions must clear in two days. Address Verification Service (AVS) is performed at authorization, in order for receipt of a full-match response on the cardholder's billing zip code.

Visa Consumer Electronic (EIRF) Rate

These are keyed, electronically-authorized or swiped transactions that are not otherwise CPS-qualified. This usually happens when the full, unaltered contents of the magnetic stripe are not transmitted during the authorization. Call-referral voice authorizations will qualify for this rate. The transaction must be settled within three days of the transaction date.

Visa CPS Card Not Present (CNP) Rate

To qualify for this rate, neither the card nor the cardholder is present at the merchant location; the merchant accepts payment by mail or telephone. The authorization request must be approved. The receipt does not need to be signed and the cardholder's address may need to be verified. One authorization per clearing transaction is allowed and one reversal is permitted to make the total authorization amount equal to the clearing amount. The transaction must clear in two days and include: the purchase date, which is the ship date (up to 7 days from authorization), the customer service telephone number, the URL or an e-mail address (as applicable), the order number, mail/telephone order, e-commerce indicator and total authorized amount.

Most transactions require AVS to be performed, while some do not. AVS is required to qualify for CPS/CNP if the transaction is the first transaction of a recurring payment, or the time between payments is longer than one year. AVS is not required if the transaction is not the first transaction of a recurring payment, or the time between payments is less than one year.

MasterCard Key-Entered Rate

To qualify for this rate, the card is present but the magnetic stripe fails to read properly. Only retail and restaurant Merchant Category Codes (MCCs) are eligible for this interchange rate. The transaction must meet all Merit III requirements, except for the transmission of the entire, unaltered contents of the magnetic stripe. An electronic authorization and keyed transaction-entry mode of '01' are required. The transaction must be settled within 24

hours of the authorization. Direct marketing/cardholder-activated (CAT) MCCs and travel agents are not eligible for this interchange rate.

MasterCard Merit 1 Rate

To qualify for this rate, the card is NOT present. An electronic authorization is required, and the transaction must be settled within two days.

Visa Custom Payment Service (CPS) Small Ticket Rate

Only consumer card types qualify for this rate. The transaction must meet all existing CPS fee edit criteria.

The transaction must occur at a merchant assigned one of the merchant category codes (MCCs): 4111 (local commuter transport); 4121 (taxicabs and limousines); 5812 (restaurants); 5814 (fast food restaurants); 7523 (parking lots and garages); 7832 (movie theaters); or 7841 (video rental stores).

The amount of the transaction must be less than or equal to $15.

Visa Express Pay Rate

To qualify for this rate, the merchant must be registered through its acquirer who must put a special indicator in the settlement record; no authorization is required.

The merchant does not have to obtain the cardholder signature or provide a transaction receipt unless one is requested.

The rate is restricted to restaurant, fast food, parking garages and movie theaters for transactions of less than $25. The parking garage maximum is $75. These transactions must be settled within three days.

Visa CPS Account Funding Rate

To qualify for this rate, the card and the cardholder are not at the merchant location and the cardholder is funding a host-based pre-paid product, a brokerage account or escrow account with a Visa credit or debit product in a secure Internet environment.

The magnetic stripe cannot be read. The point-of-sale terminal application must be equipped to provide additional data such as the merchant order number and customer service telephone number. Only one authorization per clearing transaction is allowed.

An Address Verification Service (AVS) request and Cardholder Verification Value 2 (CVV2) are required in authorization.

Visa Signature Card Electronic Rate

To qualify for this rate the merchant must be a Travel & Entertainment MCC. If the transaction meets CPS requirements, an electronic authorization is required; it can be keyed or swiped and the transaction must be settled within two days.

Visa Signature Card Standard Travel & Entertainment (T&E) Rate

To qualify for this rate the merchant must be a T&E MCC. Transactions that fail to meet CPS requirements or electronic transactions that are settled more than 72 hours from the transaction date or a paper transaction qualify for this rate.

NOTE: Visa Signature and Infinite cards are premium products for high-end consumers. The cards have no pre-set spending limits and come with enhanced services and rewards. Visa Consumer Standard Rate

To qualify for this rate the transaction will fail to meet any of the CPS categories, for example, an electronic transaction settled more than 72 hours from the transaction date or a paper transaction.

NOTE: Interchange fees are paid by the issuer to the acquirer on merchandise credits or credit vouchers. The interchange fee for a credit voucher transaction is determined by the combination of card type and merchant segment.

Visa Passenger Transport Credit Rate

All card types with passenger transport MCCs 3000-3299, 4112 and 4511 qualify for this rate.

Visa Non-Passenger Transport Credit Rate This transaction rate is for consumer cards with non-passenger transport MCCs (all MCCs except 3000-3299, 4112 and 4511) and commercial cards with non-passenger transport MCCs (all MCCs except 3000-3299, 4112 and 4511).

Visa Select Mail/Phone Order/e-Commerce Credit Rate

To qualify for this rate, more than 70% of the dollar volume of the merchant's consumer sales processed during the prior three months must have received one or more of the following rates: CPS/Card Not Present, CPS/e-commerce Basic or CPS/e-commerce Preferred.

To find more articles in this series, please visit our Web site, www.greensheet.com, and use our Fast Finder and search for 'Interchange Untangled'.

Corporate Cards

Visa Purchasing Card Large Ticket Rate

To qualify for the Purchasing Large Ticket program, a transaction must be made with a non-U.S. General Services Administration (GSA) purchasing card. The category applies to specific business-to-business Merchant Category Codes (MCCs) only. Merchant registration and applicable registration fees are required.

The MCC, Merchant Verification Value (MVV) and Acquirer BIN relationship must all be registered with Visa. The transaction must meet Custom Payment Service (CPS) requirements, be cleared in eight days, and Level 2 and Level 3 data must be provided.

The transaction amount can be any amount up to and including $10 million.

Visa GSA Purchasing Large Ticket 1 Rate

To qualify for this program, a transaction must meet GSA Purchasing Large Ticket requirements. The transaction must exceed the transaction amount threshold of $8,750 to receive this rate.

Visa GSA Purchasing Large Ticket Rate

To qualify for this program, a transaction must have a MCC that is defined as a Non-Travel Service. The card must be a GSA purchasing card and the merchant must be a GSA participant.

The transaction amount is equal to or greater than $5,000 for up to a maximum individual amount of $8,750. The transaction must meet CPS requirements; Level 2 and Level 3 data must be provided.

Visa Commercial Cards Rate

Visa uses the term 'commercial cards' to describe those designed for use in business-to-business transactions.

- Visa Business Card-intended as a line of credit for small businesses. It is used for various business expenses such as supplies, equipment and advertising.
- Visa Corporate Card-designed for large corporations' travel and entertainment (T&E) expenses.
- Visa Purchasing Card-created for large corporations' purchasing departments for buying supplies and equipment.

Visa Commercial Card Electronic (T&E and Non-T&E) Rate

To qualify for this rate, the transaction must be CPS qualified as defined in Consumer Rates and be settled within two days of the transaction date.

T&E Merchant Rate

This rate applies to all CPS qualified Corporate/Business/Purchasing cards used at T&E merchants. Hotel and auto rental transactions must meet CPS Hotel or Auto Rental Card Present requirements.

Non-T&E Merchant Rate

This applies to purchasing cards used at non-T&E merchants when Level 2 data are not provided. It also applies to Corporate/Business cards at non-T&E merchants when Level 2 data are not provided.

If a non-T&E merchant provides the additional data elements, those transactions will move to the Consumer Rates category and will qualify for the appropriate CPS rate.

MasterCard Standard Rate

This rate covers transactions that are not electronically authorized (through voice authorizations, Code 10s, referrals, etc.) and electronic transactions that are not otherwise qualified (where full, unaltered contents of the magnetic stripe are not transmitted). The transaction must be settled within 30 days.

World MasterCard Travel and Entertainment (T&E) Rate

This category applies to cards that carry the World MasterCard brand accepted by T&E merchants.

MasterCard International Electronic Rate

To qualify for this rate, the card and cardholder must both be present at the time of the transaction. The credit card must be swiped and captured for authorizations through the magnetic stripe reader on an electronic terminal. The signature must be obtained on the credit card slip or printer receipt and the transaction must be settled within five days.

MasterCard International Standard Rate

To qualify for this rate the card and cardholder must both be present at the time of the transaction. The credit card is keyed for authorization and captured through the magnetic stripe reader on an electronic terminal. The signature must be obtained on the credit card slip or printer receipt and the transaction must be settled within five days.

International Universal Cardholder Authntication (UCAF), International Full UCAF Program

The MasterCard UCAF program is designed to allow merchants and customers to interact during transactions; merchants are assured that customers using the cards are authorized users. Customers are required to have specific hardware with their card that will allow the exchange of data, much as the same way a PIN works with a PIN pad.

MasterCard Commercial Rates

Corporate Face-to-Face Rate

This rate applies to Business, Corporate, Purchasing and Fleet (excluding fuel Merchant Category Codes [MCCs] for Fleet) cards. The card and cardholder must both be present and the entire contents of the magnetic stripe must be read and transmitted. Static data like the merchant tax ID, merchant type must be included. The POS terminal should prompt for tax amount and customer code and the cardholder provides the customer code to the merchant. The transaction must be settled within 24 hours of the authorization.

Corporate Data I Rate

These transactions apply to Business, Corporate, Purchasing and Fleet cards. They are keyed transactions and electronic authorizations are required. The transactions must be settled within two days.

Corporate Data II Rate

These transactions apply to Business, Corporate, Purchasing and Fleet cards. They are keyed transactions and electronic authorizations are required. A Customer Code is not required. Additional fuel addendum data are required for Fleet cards. The transaction must be settled within two days.

Corporate Data III Rate

These transactions apply to Purchasing/Fleet, Business and Corporate (excluding fuel MCCs for Fleet) cards only. They are keyed transactions with electronic authorizations required. The transactions must be settled within two days. Level II and additional Level III data are required; Level III data include line item transaction details such as quantity of items and type of goods or services.

Corporate T&E I Rate

These transactions apply to Business, Corporate, Purchasing and Fleet cards (Fleet only at non-fuel MCCs). An electronic authorization and swiped or keyed entry are required. Qualifying transactions include restaurant, lodging, airline, passenger railway and auto rental merchants when addendum data are not provided. The transaction must be settled within two days.

Corporate T&E II Rate

These transactions apply to Business, Corporate, Purchasing and Fleet cards (Fleet only at non-fuel MCCs). An electronic authorization and swiped or keyed entry are required. Restaurant merchants are not eligible for this rate.

Qualifying transactions include lodging, airline, passenger railway and auto rental merchants with addendum data are required. The transaction must be settled within two days.

Corporate T&E III Rate

These transactions apply to Business, Corporate, Purchasing and Fleet cards (Fleet only at non-fuel MCCs). An electronic authorization and swiped or keyed entry are required. Restaurant merchants are not eligible for this rate.

Qualifying transactions for lodging, airline, passenger railway and auto rental merchants where addendum data are required. Additional T&E data including room rate, room tax, property phone number, etc. are also required. The transaction must be settled within two days.

Corporate Standard Rate For All Merchants

This rate applies to Business, Corporate, Purchasing and Fleet cards. The transactions must be settled within 30 days.

Corporate Large Ticket Rate (Non-T&E)

This category applies to Business, Corporate, Purchasing and Fleet cards only. Transactions must be greater than $3809.58 for Data Rate II; $6666.69 for Data Rate III and $7254.53 for a Face-to-Face transaction. It must be settled within 24 hours of the authorization and electronic authorization is required. Level II data are also required.

MasterCard International Rates

(The following MasterCard International Rates apply to all merchants for transactions on cards issued outside the United States.)

International Corporate Purchasing Data Rate II

This rate applies to Purchasing/Fleet (excluding fuel MCCs for Fleet) cards only. An electronic authorization with Level II data is required. The transactions must be settled within four days.

International Corporate Purchasing Rate

This rate applies to Purchasing/Fleet cards only. An electronic authorization is required. The transactions must be settled within 30 days.

International Corporate Purchasing (Large Ticket) (Non-T&E)

This rate applies to Purchasing/Fleet cards only. An electronic authorization required. The transaction must be more than $3000 and be settled within 30 days.

International Corporate Rate

This rate applies to MasterCard Business/Corporate cards only. The transaction must be settled within 30 days.