

April 2021 Interchange Modifications

Visa, Mastercard, Discover and American Express OptBlue have announced new rates and service changes to take effect in April 2021. Wind River Financial has studied the announced changes and summarized below those that we believe to have the most significant impact on merchant clients.

New Product 1 and Product 2 Interchange Programs for Visa Consumer Credit Transactions

Visa will implement the following new Product 1 and Product 2 interchange fee programs that will apply to Visa consumer credit purchase transactions.

<u>New Fee Program</u>	<u>New Rate</u>
VS VT Product 1	1.80% + \$0.10
VS VTR Product 1	1.95% + \$0.10
VS VIN Product 1	1.95% + \$0.10
VS VSP VIQ Product 1	2.40% + \$0.10
VS VT Product 2	1.51% + \$0.10
VS VTR Product 2	1.65% + \$0.10
VS VIN Product 2	1.65% + \$0.10
VS VSP VIQ Product 2	2.10% + \$0.10

Rate Changes for Existing Visa Commercial Credit Fee Programs

Visa is implementing rate changes that impact Visa commercial credit transactions.

<u>Current Fee Program</u>	<u>Current rate</u>	<u>New rate</u>
VS Corporate Fuel Level 2	2.05% + \$0.10	2.20% + \$0.10
VS Purchasing Fuel Level 2	2.05% + \$0.10	2.20% + \$0.10
VS Non-Qual Bus Cr	2.95% + \$0.20	3.15% + \$0.20
VS Business Tr1 Travel	2.40% + \$0.10	2.35% + \$0.10
VS Business Tr2 Travel	2.75% + \$0.15	2.50% + \$0.10
VS Business Tr3 Travel	2.85% + \$0.20	2.55% + \$0.10
VS Business Tr4 Travel	2.95% + \$0.20	2.65% + \$0.10
VS Business Tr 5 Travel	2.95% + \$0.20	2.70% + \$0.10
VS Business Tr1 Prod 1	2.25% + \$0.10	2.65% + \$0.10
VS Business Tr2 Prod 1	2.45% + \$0.15	2.80% + \$0.10
VS Business Tr3 Prod 1	2.60% + \$0.20	2.85% + \$0.10
VS Business Tr4 Prod 1	2.70% + \$0.20	2.95% + \$0.10
VS Business Tr 5 Prod 1	2.70% + \$0.20	3.00% + \$0.10
VS Business Tr1 Prod 2	2.20% + \$0.10	1.90% + \$0.10
VS Business Tr2 Prod 2	2.30% + \$0.10	2.05% + \$0.10
VS Business Tr3 Prod 2	2.40% + \$0.10	2.10% + \$0.10
VS Business Tr4 Prod 2	2.50% + \$0.10	2.20% + \$0.10
VS Business Tr 5 Prod 2	2.50% + \$0.10	2.25% + \$0.10
VS Business Level 2 T1	2.05% + \$0.10	1.90% + \$0.10
VS Business Level 2 T3	2.05% + \$0.10	2.10% + \$0.10

VS Business Tr 5 Lvl 2	2.20% + \$0.10	2.25% + \$0.10
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New Visa Interchange Program for US Domestic Transactions from Consumer Bill Payment Service Providers

Visa will implement new interchange programs that apply to purchase transactions from bill payment service providers.

<u>New Fee Program</u>	<u>New Rate</u>
VS CBPS VT	1.80% + \$0.10
VS CBPS VTR	1.95% + \$0.10
VS CBPS VS VIN	1.95% + \$0.10
VS CBPS VSP VIQ	2.40% + \$0.10
VS CBPS Consumer Debit	1.65% + \$0.15
VS REG CBPS Consumer Debit	0.05% + \$0.22
VS CBPS Consumer Prepaid	1.75% + \$0.20
VS REG CBPS Consumer Prepaid	0.05% + \$0.22
VS CBPS Business Debit	2.45% + \$0.10
VS REG CBPS Business Debit	0.05% + \$0.22
VS CBPS Commercial Prepaid	2.65% + \$0.10
VS REG CBPS Commercial Prepaid	0.05% + \$0.22
VS CBPS Business TR 1	2.65% + \$0.10
VS CBPS Business TR 2	2.80% + \$0.10
VS CBPS Business TR 3	2.85% + \$0.10
VS CBPS Business TR 4	2.95% + \$0.10
VS CBPS Business TR 5	3.00% + \$0.10
VS CBPS Corporate Credit	2.70% + \$0.10
VS CBPS Purchase Credit	2.70% + \$0.10

New Visa Fee for excessive magnetic-stripe fallback transactions

The rollout of EMV chip-enabled payment cards and terminals has greatly reduced counterfeit fraud in the U.S. However, operational issues persist in instances where the chip cannot be read and the transaction falls back to the magnetic-stripe data capture for payment authorization. These transactions present higher fraud risk and should be avoided when possible.

Visa will assess a monthly fee of \$0.10 for each fallback transaction occurring at merchant locations with a fallback rate of 10% or above. Fallback rate is defined as the number of magnetic-stripe fallback authorization transactions per the total number of electronically read authorizations.

New Mastercard Small Ticket Interchange Rates for Consumer Credit in the US

Mastercard is introducing 10 new consumer credit, small-ticket interchange programs for transactions with a value of \$5.00 or less in the US region.

Please Note: Although this new small ticket consumer credit rate program will be implemented in April 2021, the rates have been modified and set at current card-present and card-not-present levels.

<u>New Fee Program</u>	<u>New Rate</u>
MC Small Ticket Card Present	1.58% + \$0.10
MC World Small Ticket Card Present	1.77% + \$0.10
MC World High Value Small Ticket Card Present	2.20% + \$0.10
MC Enhanced Small Ticket Card Present	1.73% + \$0.10
MC World Elite Small Ticket Card Present	2.20% + \$0.10
MC Small Ticket Card Not Present	1.89% + \$0.10
MC World Small Ticket Card Not Present	2.05% + \$0.10
MC World High Value Small Ticket Card Not Present	2.50% + \$0.10
MC Enhanced Small Ticket Card Not Present	2.04% + \$0.10
MC World Elite Small Ticket Card Not Present	2.50% + \$0.10

New MasterCard Consumer Interchange Programs and Rates for Child Care, Merit 3 Prepaid and Real Estate

Mastercard is expanding the Merit 1 interchange program by introducing new consumer interchange programs that apply to Child Day Care Services, merchant category code (MCC) 8351. Mastercard is also introducing new interchange rates for the Merit 3 Prepaid program and the Merit 1 Real Estate programs.

<u>New Fee Program</u>	<u>New Rate</u>
MC Merit 1 Day Care	1.89% + \$0.10
MC World Merit 1 Day Care	2.05% + \$0.10
MC Enhanced Merit 1 Day Care	2.04% + \$0.10
MC Merit 3 Prepaid	1.05% + \$0.15
MC REG Merit 3 Prepaid	0.05% + \$0.21
MC REGF Merit 3 Prepaid	0.05% + \$0.22
MC Merit 1 Real Estate Cap Debit	1.10% + \$0.00
MC REG Merit 1 Real Estate Cap Debit	0.05% + \$0.21
MC REGF Merit 1 Real Estate Cap Debit	0.05% + \$0.22

Discover Rate Changes for Consumer Debit and Prepaid Card Credit Voucher Transactions

<u>Current Fee Program</u>	<u>Current rate</u>	<u>New rate</u>
DS Consumer Adjustment Voucher1 Debit	1.80% + \$0.00	0.00% + \$0.00
DS Consumer Adjustment Voucher2 Debit	1.69% + \$0.00	0.00% + \$0.00
DS Consumer Adjustment Voucher3 Debit	1.35% + \$0.00	0.00% + \$0.00
DS Consumer Adjustment Voucher1 Prepaid	1.80% + \$0.00	0.00% + \$0.00
DS Consumer Adjustment Voucher2 Prepaid	1.69% + \$0.00	0.00% + \$0.00
DS Consumer Adjustment Voucher3 Prepaid	1.35% + \$0.00	0.00% + \$0.00

Discover New Program Integrity Fee

Discover is adding a new Program Integrity Fee to compensate for additional risk and processing costs related to the US Base Submission Level Program Card sales. It is an acquirer fee that Discover assesses on card sales that downgrade to or directly qualify for Base Submission Level Program Card sales. The fee will be \$0.05 per US Base Submission Level Program Card sale.

<u>New Fee Program</u>	<u>New Per Item Fee</u>
Discover Program Integrity Fee	\$0.05

Discover Assessment Fee Reduction

Discover is reducing the Assessment Fee applicable to US acquirers from \$0.022 to \$0.005 per card transaction.

<u>Current Fee Program</u>	<u>Current Per Item Fee</u>	<u>New Per Item Fee</u>
Discover Assessment Fee	\$0.022	\$0.005

New American Express Signature Debit Interchange Program

American Express OptBlue is introducing a new signature debit interchange program. Assessment fees apply to the new debit card programs. Non-swiped Transaction (CNP) Fee and Inbound Fees:

- Will apply to the Consumer Unregulated and Small Business Unregulated Debit Card Programs
- Won't apply to the Consumer regulated and Small Business regulated Debit Card Programs.

<u>New Fee Program</u>	<u>New Rate</u>
AM B2B/WHSL CONSUMER DEBIT	0.99% + \$0.15
AM B2B/WHSL CONSUMER DEBIT REG	0.04% + \$0.25
AM B2B/WHSL SMALL BIZ DEBIT	1.94% + \$0.10
AM B2B/WHSL SMALL BIZ DEBIT REG	0.04% + \$0.25
AM EDUCATION CONSUMER DEBIT	0.79% + \$0.15
AM EDUCATION CONSUMER DEBIT REG	0.04% + \$0.25
AM EDUCATION SMALL BIZ DEBIT	1.99% + \$0.10
AM EDUCATION SMALL BIZ DEBIT REG	0.04% + \$0.25
AM EMERG MKT CONSUMER DEBIT	0.79% + \$0.15
AM EMERG MKT CONSUMER DEBIT REG	0.04% + \$0.25
AM EMERG MKT SMALL BIZ DEBIT	1.99% + \$0.10
AM EMERG MKT SMALL BIZ DEBIT REG	0.04% + \$0.25
AM GOVERNMENT CONSUMER DEBIT	0.79% + \$0.15
AM GOVERNMENT CONSUMER DEBIT REG	0.04% + \$0.25
AM GOVERNMENT SM BIZ DEBIT	1.99% + \$0.10
AM GOVERNMENT SM BIZ DEBIT REG	0.04% + \$0.25
AM HEALTHCARE CONSUMER DEBIT	0.99% + \$0.15
AM HEALTHCARE CONSUMER DEBIT REG	0.04% + \$0.25
AM HEALTHCARE SM BIZ DEBIT	1.94% + \$0.10
AM HEALTHCARE SM BIZ DEBIT REG	0.04% + \$0.25
AM RESTAURANT CONSUMER DEBIT	1.29% + \$0.10
AM RESTAURANT CONSUMER DEBIT REG	0.04% + \$0.25
AM RESTAURANT SM BIZ DEBIT	1.99% + \$0.10
AM RESTAURANT SM BIZ DEBIT REG	0.04% + \$0.25
AM RETAIL CONSUMER DEBIT	0.99% + \$0.15
AM RETAIL CONSUMER DEBIT REG	0.04% + \$0.25
AM RETAIL SMALL BIZ DEBIT	1.94% + \$0.10
AM RETAIL SMALL BIZ DEBIT REG	0.04% + \$0.25
AM SERVICE/PROF CONSUMER DEBIT	0.99% + \$0.15
AM SERV/PROF CONSUMER DEBIT REG	0.04% + \$0.25

AM SERVICE/PROF SMALL BIZ DEBIT	1.94% + \$0.10
AM SERV/PROF SMALL BIZ DEBIT REG	0.04% + \$0.25
AM T&E CONSUMER DEBIT	1.19% + \$0.15
AM T&E CONSUMER DEBIT REG	0.04% + \$0.25
AM T&E SMALL BIZ DEBIT	1.99% + \$0.10
AM T&E SMALL BIZ DEBIT REG	0.04% + \$0.25
AM OTHER CONSUMER DEBIT	0.99% + \$0.15
AM OTHER CONSUMER DEBIT REG	0.04% + \$0.25
AM OTHER SMALL BIZ DEBIT	1.94% + \$0.10
AM OTHER SMALL BIZ DEBIT REG	0.04% + \$0.25

American Express OptBlue Fee Modifications

American Express OptBlue is modifying the Assessment & Sponsorship Fee.

<u>Current Fee Program</u>	<u>Current rate</u>	<u>New rate</u>
Amex Assessment & Sponsorship Fee	0.45%	0.46%

American Express OptBlue is changing the Inbound Fee from 0.40% to 1.00%.

<u>Current Fee Program</u>	<u>Current rate</u>	<u>New rate</u>
Amex Inbound Fee	0.40%	1.00%