

## April 2023 Interchange Modifications

Visa, Mastercard and Discover have announced new rates and service changes to take effect in April 2023. Wind River Financial has studied the announced changes and summarized below those that we believe to have the most significant impact on merchant clients.

### Visa

#### Interchange

- Visa is eliminating shared interchange programs for a variety of Visa consumer interchange reward card programs. At this time, there is no financial impact.

Current Program	New Program
VS VSP VIQ Spmkt	VS VSP Spmkt
VS VSP VIQ Spmkt	VS VIQ Spmkt
VS VSP VIQ Small Ticket	VS VSP Small Ticket
VS VSP VIQ Small Ticket Min	VS VSP Small Ticket Min
VS VSP VIQ Small Ticket	VS VIQ Small Ticket
VS VSP VIQ Small Ticket Min	VS VIQ Small Ticket Min
VS VSP VIQ Rec Pmt	VS VSP Rec Pmt
VS VSP VIQ Rec Pmt	VS VIQ Rec Pmt
VS VSP VIQ Rec Pmt Non-Token	VS VSP Rec Pmt Non-Token
VS VSP VIQ Rec Pmt Non-Token	VS VIQ Rec Pmt Non-Token
VS VSP VIQ Insurance	VS VSP Insurance
VS VSP VIQ Insurance	VS VIQ Insurance
VS VSP VIQ Insurance Non-Token	VS VSP Insurance Non-Token
VS VSP VIQ Insurance Non-Token	VS VIQ Insurance Non-Token
VS VSP VIQ Services	VS VSP Services
VS VSP VIQ Services	VS VIQ Services
VS VSP VIQ Services Non-Token	VS VSP Services Non-Token
VS VSP VIQ Services Non-Token	VS VIQ Services Non-Token
VS VSP VIQ Education	VS VSP Education
VS VSP VIQ Education	VS VIQ Education
VS VSP VIQ Education Non-Token	VS VSP Education Non-Token
VS VSP VIQ Education Non-Token	VS VIQ Education Non-Token
VS VSP VIQ Healthcare	VS VSP Healthcare
VS VSP VIQ Healthcare	VS VIQ Healthcare
VS VSP VIQ Healthcare Non- Token	VS VSP Healthcare Non-Token
VS VSP VIQ Healthcare Non-Token	VS VIQ Healthcare Non-Token
VS VSP VIQ Real Estate	VS VSP Real Estate
VS VSP VIQ Real Estate	VS VIQ Real Estate
VS VSP VIQ Real Estate Non- Token	VS VSP Real Estate Non-Token
VS VSP VIQ Real Estate Non-Token	VS VIQ Real Estate Non-Token
VS VSP VIQ Travel	VS VSP Travel
VS VSP VIQ Travel	VS VIQ Travel
VS VSP VIQ Advertising	VS VSP Advertising

Current Program	New Program
VS VSP VIQ Advertising	VS VIQ Advertising
VS VSP VIQ Advertising Non-Token	VS VSP Advertising Non-Token
VS VSP VIQ Advertising Non-Token	VS VIQ Advertising Non-Token
VS VSP VI Taxi 1	VS VSP VIN Taxi 1
VS VSP VI Taxi 1 MIN	VS VSP VIN Taxi 1 MIN
VS VSP VI Taxi 1	VS VIQ Taxi 1
VS VSP VI Taxi 1 MIN	VS VIQ Taxi 1 MIN
VS VSP VI Taxi 2	VS VSP VIN Taxi 2
VS VSP VI Taxi 2 MIN	VS VSP VIN Taxi 2 MIN
VS VSP VI Taxi 2	VS VIQ Taxi 2
VS VSP VI Taxi 2 MIN	VS VIQ Taxi 2 MIN
VS VSP VI Rest 1	VS VSP VIN Rest 1
VS VSP VI Rest 1 Min	VS VSP VIN Rest 1 Min
VS VSP VI Rest 1	VS VIQ Rest 1
VS VSP VI Rest 1 Min	VS VIQ Rest 1 Min
VS VSP VI Rest 2	VS VSP VIN Rest 2
VS VSP VI Rest 2 MIN	VS VSP VIN Rest 2 Min
VS VSP VI Rest 2	VS VIQ Rest 2
VS VSP VI Rest 2 MIN	VS VIQ Rest 2 Min
VS VSP VIQ Product 2	VS VSP Product 2
VS VSP VIQ Product 2	VS VIQ Product 2
VS VSP VIQ Product 1	VS VSP Product 1
VS VSP VIQ Product 1	VS VIQ Product 1
VS VSP VIQ Product 1 Token	VS VSP Product 1 Token
VS VSP VIQ Product 1 Token	VS VIQ Product 1 Token
VS CBPS VSP VIQ	VS CBPS VSP
VS CBPS VSP VIQ	VS CBPS VIQ
VS Small Merch VSP VIQ Prod 1	VS Small Merch VSP Prod 1
VS Small Merch VSP VIQ Prod 1	VS Small Merch VIQ Prod 1
VS Small Merch VSP VIQ Prod 2	VS Small Merch VSP Prod 2
VS Small Merch VSP VIQ Prod 2	VS Small Merch VIQ Prod 2

## Healthcare MCCs

- Visa announced that they are removing Healthcare MCCs from the Corporate Non-Travel Level 2 and 3 interchange programs for GSA Corporate cards

Interchange Program	Interchange Rate	MCCs being removed from existing Interchange Programs
VS Corporate Non-Travel Lvl 2	2.50% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070
VS US Corporate Non-Travel Lvl 3	1.90% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070

- These transactions will now only qualify for the other existing Corporate Card interchange programs:

Interchange Program	Interchange Rate	MCCs being added to existing Interchange Programs
VS Corporate Card CNP	2.70% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070
VS US Corporate Card - Card Present	2.50% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070
VS CBPS Corporate Credit	2.70% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070
VS Non-Qual Corporate Cr W/Data	2.95% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070
VS Non-Qual Corporate Credit	2.95% + \$0.10	8011, 8021, 8031, 8041, 8042, 8043, 8049, 8050, 8062, 8070

## Card Brand Changes

### CVV2

- The new CVV2 fee of \$0.0025 will be assessed on all transactions that result in a match or no match. It will not be assessed when the auth cannot be verified or if the attempt results in an error response.

### Estimated and Incremental Authorizations

- All merchants- with the exceptions of account funding transactions, cash disbursements (manual or ATM), installments, advance payments, recurring transactions or quasi-cash transactions- will not be allowed to submit estimated and incremental authorizations.
  - This additional service will cost 0.02%

Authorization Type	Rate
Estimated Authorizations	0.02%
Incremental Authorizations	0.02%

### Magnetic Stripe Data Fee

- Visa is adding magnetic stripe data (MSD) contactless transaction fee of \$0.10. MSD contactless transactions will incur a \$0.10 fee.

### Surcharge Rule Changes

- Visa is lowering the maximum amount of credit card surcharge from 4% to 3% in the U.S.
- The surcharge must not exceed the lesser of the merchant's cost of acceptance or 3% of the purchase amount in the U.S.
- Merchants only need to provide the acquirer 30 days' notice to the start of surcharging.

## Address Verification Service

- Visa is streamlining AVS by moving from 17 responses to 6.

Values	Description	Simplified Values
<b>A</b>	Address matches, ZIP does not.	<b>A</b> (AVS street address only (partial match))
<b>B</b>	Street addresses match. Postal code not verified due to incompatible formats	
<b>N</b>	No match	<b>N</b> (AVS non-match)
<b>C</b>	Street address and postal code not verified due to incompatible formats	<b>R</b> (AVS indeterminate outcome (retry))
<b>G</b>	Address information not verified for international transaction	
<b>I</b>	Address information not verified	
<b>R</b>	Retry: System unavailable or timed out	
<b>S</b>	Non-Visa response; converted to closest equivalent	
<b>U</b>	Address not verified for domestic transaction	<b>U</b> (AVS unable to verify)
<b>D</b>	Street addresses and postal codes match	<b>Y</b> (AVS full match)
<b>F</b>	Street address and postal codes match. Applies to U.K. issued cards	
<b>M</b>	Street address and postal code match	
<b>X</b>	Non-Visa response; converted to closest equivalent	
<b>Y</b>	Street address and postal code match	
<b>P</b>	Postal code match	
<b>W</b>	Non-Visa response; converted to closest equivalent	<b>Z</b> (AVS postal/zip code only (partial match))
<b>Z</b>	Postal/ZIP matches; street address does not match or street address not included in request	

## Mastercard

- Mastercard has created a new commercial credit program for the Mastercard Enterprise Solution Wholesale Travel Program.

Current Program	Current Rate	New Program	New Rates	Change
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTA	2.00% + \$0.00	-0.35% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTB	1.90% + \$0.00	-0.45% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTC	1.80% + \$0.00	-0.55% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTD	1.70% + \$0.00	-0.65% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTE	1.60% + \$0.00	-0.75% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTF	1.50% + \$0.00	-0.85% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTG	1.40% + \$0.00	-0.95% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTH	1.30% + \$0.00	-1.05% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTI	1.20% + \$0.00	-1.15% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTJ	1.10% + \$0.00	-1.25% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTK	1.00% + \$0.00	-1.35% + -\$0.10
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTL	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTM	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTN	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTO	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTP	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTQ	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTR	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTS	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTU	TBD	TBD
Commercial T&E	2.35% + \$0.10	MC Global Wholesale B2B MTV	TBD	TBD

## Card Brand Changes

- Mastercard's NABU fee will be billed on all authorization responses.
- Collection and refund transactions were assessed the NABU fee at settlement; now, they will be assessed the NABU fee at the point of authorization. The rate is not changing.

## Discover

### Interchange

- Discover is revising rates on the following programs.

Program	New Rate	New Per Item	Current Rate	Current Per Item	Change in BP	Change in Per Item
DS PSL Restaurants Rewards	1.90%	\$0.10	1.95%	\$0.10	-0.05%	No Change
DS PSL Restaurants DB	1.19%	\$0.10	1.14%	\$0.015	+0.05%	No Change
DS PSL Supermrkts/Warehouse Clubs PR	1.65%	\$0.10	1.60%	\$0.10	+0.05%	No Change
DS Petroleum core	1.80%	\$0.05	1.55%	\$0.05	+0.25%	No Change
DS Supermrkts/Warehouse Clubs PremPlus	2.10%	\$0.10	1.90%	\$0.10	+0.20%	No Change
DS Retail Prem Plus	2.25%	\$0.10	2.17%	\$0.10	+0.08%	No Change
DS Restaurants Prem Plus	2.45%	\$0.10	2.40%	\$0.10	+0.05%	No Change
DS CNP Prem Plus	2.55%	\$0.10	2.50%	\$0.10	+0.05%	No Change
DS Key Entry Prem Plus	2.55%	\$0.10	2.50%	\$0.10	+0.05%	No Change
DS Comm Large Ticket PPD	1.45%	\$35	0.90%	\$20	+0.55%	+\$15
DDS e-Commerce Prem Plus	2.55%	\$0.10	2.50%	\$0.10	+0.05%	No Change
DS e-Commerce Secured Prem Plus	2.40%	\$0.10	2.35%	\$0.10	+0.05%	No Change

### Card Brand Changes

#### Cash at the Checkout

- Discover is increasing the maximum amount of cash a merchant may return to the cardholder at checkout to \$120 (up from \$100). The merchant may opt to maintain the lower threshold.

#### Discover Program Integrity

- Discover is increasing the Discover Program Integrity Fee. This fee occurs on every transaction with U.S. Base Submission Level.

Description	New Rate	Current Rate	Change in Per Item
Program Integrity Fee	\$0.10	\$0.05	+\$0.05