

April 2024 Interchange Modifications

Visa, MasterCard, Discover and American Express have announced new rates and service changes to take effect in April 2024. 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 Updates

1. New Performance Threshold Recurring Telecommunications & Cable Fee Program for Visa Consumer Credit Transactions

Visa is introducing a new performance threshold fee program for recurring telecommunications and cable transactions. Merchants eligible for the Performance Threshold Recurring Telecommunications and Cable fee program will be assigned a unique Merchant Verification Value (MVV) by Visa. The MVV must be submitted in the transaction to qualify for the Performance Threshold Recurring Telecommunications and Cable fee program.

<u>New Fee Program</u>	<u>New Rate</u>
Recurring Telecommunications and Cable Tier 1—Token - Visa Traditional, Visa Traditional Rewards, Visa Signature, Visa Infinite (Spend not-qualified)	1.2300% + \$0.0500
Recurring Telecommunications and Cable Tier 1—Token - Visa Signature Preferred, Visa Infinite (Spend-qualified)	1.7500% + \$0.0500
Recurring Telecommunications and Cable Tier 2—Token - Visa Traditional, Visa Traditional Rewards, Visa Signature, Visa Infinite (Spend not-qualified)	1.3300% + \$0.0500
Recurring Telecommunications and Cable Tier 2—Token - Visa Signature Preferred, Visa Infinite (Spend-qualified)	2.1000% + \$0.0500
Recurring Telecommunications and Cable Tier 3—Token - Visa Traditional, Visa Traditional Rewards, Visa Signature, Visa Infinite (Spend not-qualified)	1.4300% + \$0.0500
Recurring Telecommunications and Cable Tier 3—Token - Visa Signature Preferred, Visa Infinite (Spend-qualified)	2.2000% + \$0.0500
Recurring Telecommunications and Cable Tier 1—Non-token - Visa Traditional, Visa Traditional Rewards, Visa Signature, Visa Infinite (Spend not-qualified)	1.3300% + \$0.0500
Recurring Telecommunications and Cable Tier 1—Non-token - Visa Signature Preferred, Visa Infinite (Spend-qualified)	1.8500% + \$0.0500
Recurring Telecommunications and Cable Tier 2—Non-token - Visa Traditional, Visa Traditional Rewards, Visa Signature, Visa Infinite (Spend not-qualified)	1.4300% + \$0.0500
Recurring Telecommunications and Cable Tier 2—Non-token - Visa Signature Preferred, Visa Infinite (Spend-qualified)	2.2000% + \$0.0500
Recurring Telecommunications and Cable Tier 3—Non-token - Visa Traditional, Visa Traditional Rewards, Visa Signature, Visa Infinite (Spend not-qualified)	1.5300% + \$0.0500
Recurring Telecommunications and Cable Tier 3—Non-token - Visa Signature Preferred, Visa Infinite (Spend-qualified)	2.3000% + \$0.0500

2. Changes to Existing Visa Consumer Credit Fee Programs (CANCELED)

IMPORTANT As of 4/1/24, Visa has canceled the upcoming changes to its existing Visa Consumer Credit Fee Programs. You can still view what the changes were going to be below. Visa was going to modify rates for the following Visa consumer credit fee programs in the US region:

- Healthcare and Healthcare–Non-Token
- Education and Education–Non-Token
- Real Estate and Real Estate–Non-Token
- Services and Services–Non-Token
- Travel
- Consumer Bill Payment Service (CBPS)
- Product 1
- Product 1–Token
- Small Merchant programs for:
 - Healthcare
 - Education
 - Real Estate
 - Services

Current Fee Program	Current Rate	New Rate
VS VT Healthcare	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VTR Healthcare	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VS Healthcare CR	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VSP Healthcare	2.3000% + \$0.1000	2.2800% + \$0.1500
VS VIN Healthcare CR	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VIQ Healthcare	2.3000% + \$0.1000	2.2900% + \$0.1500
VS VT Health Non Token	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VTR Health Non Token	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VS Healthcare Non Token CR	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VSP Healthcare Non Tokenized	2.4000% + \$0.1000	2.3800% + \$0.1500
VS VIN Healthcare Non Token CR	1.5300% + \$0.0500	1.5200% + \$0.1000
Visa VIQ Healthcare Non Tokenized	2.4000% + \$0.1000	2.3900% + \$0.1500
VS VT Education	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VTR Education	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VS Education CR	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VSP Education	2.1500% + \$0.1000	2.1300% + \$0.1500
VS VIN Education CR	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VIQ Education	2.1500% + \$0.1000	2.1400% + \$0.1500
VS VT Education Non Token	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VTR Education Non Token	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VS Education Non Token CR	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VSP Education Non Tokenized	2.2500% + \$0.1000	2.2300% + \$0.1500
VS VIN Education Non Token CR	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VIQ Education Non Tokenized	2.2500% + \$0.1000	2.2400% + \$0.1500
VS VT Real Estate	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VTR Real Estate	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VS Real Estate CR	1.4300% + \$0.0500	1.4200% + \$0.1000

VS VSP Real Estate	2.1500% + \$0.1000	2.1300% + \$0.1500
VS VIN Real Estate CR	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VIQ Real Estate	2.1500% + \$0.1000	2.1400% + \$0.1500
VS VT Real Estate Non Token	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VTR Real Estate Non Token	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VS Real Estate Non Token CR	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VSP Real Estate Non Tokenized	2.2500% + \$0.1000	2.2300% + \$0.1500
VS VIN Real Estate Non Token CR	1.5300% + \$0.0500	1.5200% + \$0.1000
VS VIQ Real Estate Non Tokenized	2.2500% + \$0.1000	2.2400% + \$0.1500
VS VT Services	1.5500% + \$0.1000	1.5000% + \$0.1500
VS VTR Services	1.7000% + \$0.1000	1.5500% + \$0.1500
VS VS Services CR	1.8500% + \$0.1000	1.8000% + \$0.1500
VS VSP Services	2.3000% + \$0.1000	2.3200% + \$0.1500
VS VIN Services CR	1.8500% + \$0.1000	1.8000% + \$0.1500
VS VIQ Services	2.3000% + \$0.1000	2.3200% + \$0.1500
VS VT Services Non Token	1.6500% + \$0.1000	1.6000% + \$0.1500
VS VTR Services Non Token	1.8000% + \$0.1000	1.6500% + \$0.1500
VS VS Services Non Token CR	1.9500% + \$0.1000	1.9000% + \$0.1500
VS VSP Services Non Tokenized	2.4000% + \$0.1000	2.4200% + \$0.1500
VS VIN Services Non Token CR	1.9500% + \$0.1000	1.9000% + \$0.1500
VS VIQ Services Non Tokenized	2.4000% + \$0.1000	2.4200% + \$0.1500
VS VT Travel	1.7500% + \$0.1000	1.7600% + \$0.1000
VS VTR Travel	1.9500% + \$0.1000	1.9600% + \$0.1000
VS VS Travel	2.2500% + \$0.1000	2.2600% + \$0.1000
VS VSP Travel	2.4000% + \$0.1000	2.4200% + \$0.1100
VS CBPS VT	1.8900% + \$0.1000	1.9000% + \$0.1000
VS CBPS VTR	2.0400% + \$0.1000	2.0500% + \$0.1000
VS VS CBPS	2.0500% + \$0.1000	2.0600% + \$0.1000
VS CBPS VSP	2.5000% + \$0.1000	2.5200% + \$0.1000
VS VT Product 1 Token	1.8000% + \$0.1000	1.8100% + \$0.1000
VS VTR Product 1 Token	1.9500% + \$0.1000	1.9600% + \$0.1000
VS VS Product 1 Tokenized CR	1.9500% + \$0.1000	1.9600% + \$0.1000
VS VSP Product 1 Tokenized	2.4000% + \$0.1000	2.4200% + \$0.1000
VS VT Product 1	1.8900% + \$0.1000	1.9000% + \$0.1000
VS VTR Product 1	2.0400% + \$0.1000	2.0500% + \$0.1000
VS VS Product 1 CR	2.0500% + \$0.1000	2.0600% + \$0.1000
VS VSP Product 1	2.5000% + \$0.1000	2.5200% + \$0.1000
VS VT VTR VS Small Merchant Healthcare	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VSP Small Merchant Healthcare	2.3000% + \$0.1000	2.2800% + \$0.1500
VS VIN Small Merchant Healthcare	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VIQ Small Merchant Healthcare	2.3000% + \$0.1000	2.2900% + \$0.1500
VS VT VTR VS Small Merchant Education	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VSP Small Merchant Education	2.1500% + \$0.1000	2.1300% + \$0.1500
VS VIN Small Merchant Education	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VIQ Small Merchant Education	2.1500% + \$0.1000	2.1400% + \$0.1500
VS VT VTR VS Small Merchant Real Estate	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VSP Small Merchant Real Estate	2.1500% + \$0.1000	2.1300% + \$0.1500
VS VIN Small Merchant Real Estate	1.4300% + \$0.0500	1.4200% + \$0.1000
VS VIQ Small Merchant Real Estate	2.1500% + \$0.1000	2.1400% + \$0.1500
VS VT Small Merchant Services	1.5500% + \$0.1000	1.5000% + \$0.1500

VS VTR Small Merchant Services	1.7000% + \$0.1000	1.5500% + \$0.1500
VS VS Small Merchant Services	1.8500% + \$0.1000	1.8000% + \$0.1500
VS VSP Small Merchant Services	2.3000% + \$0.1000	2.3200% + \$0.1500
VS VIN Small Merchant Services	1.8500% + \$0.1000	1.8000% + \$0.1500
VS VIQ Small Merchant Services	2.3000% + \$0.1000	2.3200% + \$0.1500

3. Visa Commercial Solutions Fee Will Be Introduced on Select US Acquired POS Volumes

Visa Commercial Solutions will introduce a fee of 0.01% for all US acquired transactions originated by Visa Business Solutions products.

<u>New Fee Program</u>	<u>New Rate</u>
Visa Commercial Solutions Fee	0.0100% + \$0.0000

4. Visa Account Name Inquiry Pricing Changes in the US and Canada

Visa will increase the rate on the Account Name Inquiry in the US and Canada from \$ 0.05 to \$0.10 per item.

<u>Current Fee Program</u>	<u>Current Rate</u>	<u>New Rate</u>
VS US Account Name Inquiry	0.0000% + \$0.0500	0.0000% + \$0.1000
VS CA Account Name Inquiry	0.0000% + \$0.0500	0.0000% + \$0.1000

Mastercard Updates

1. Introducing Interchange Rates for the Mastercard Wholesale Travel Program

Mastercard is adjusting the interchange rates on two of the Mastercard Wholesale Travel Programs.

<u>Current Fee Program</u>	<u>Current rate</u>	<u>New rate</u>
MC Global Wholesale Travel B2B MTL	1.0000% + \$0.0000	1.4500% + \$0.0000
MC Global Wholesale Travel B2B MTM	1.0000% + \$0.0000	1.3500% + \$0.0000

2. MasterCard Expanding Digital Enablement in the US Region

Mastercard is updating the Digital Enablement Fee (DEF) in the US region. To continue to enhance safety and security in the payments ecosystem, Mastercard is revising the billing structure for the DEF. The current fee item of 2.0 bps will now apply to all US-acquired authorizations for CNP transactions under USD 1000, with a minimum of USD 0.02. US-acquired authorizations for CNP transactions greater than or equal to USD 1000 will be billed a fixed rate fee of USD 0.40.

<u>Current Fee Program</u>	<u>New Fee Program</u>	<u>Current rate</u>	<u>New rate</u>
MC Digital Enablement Fee	MC DEF CNP authorizations < \$1000	0.0200% + \$0.0000	No Change
MC Digital Enablement Fee	MC DEF CNP authorizations >= \$1000	0.0000% + \$0.2000	0.00% + \$0.4000

3. MasterCard Introduction of MO/TO Pricing for the US Region

Mastercard is introducing a new Mail Order/Telephone Order (MO/TO) fee for acquirers in the US region. Mastercard encourages the use of safer interfaces for card payments, incentivizing acquirers to adapt more sophisticated secure CNP payment methods and help prevent fraud.

This fee has a rate of 0.015% and is applicable for MO/TO CNP purchases (unique and non-unique MCCs) and Credit (Purchase Returns) transactions. The MO/TO fee does not apply for transactions that qualify for the Mastercard Wholesale Travel Program (MWP), previously referred to as Global Wholesale Travel Transaction Program (GWTP).

<u>New Fee Program</u>	<u>New Rate</u>
MC US MOTO Fee	0.0150% + \$0.0000

4. MasterCard Extending Network Access Brand Usage Fee in the US Region

Mastercard is extending the Network Access and Brand Usage (NABU) fee that is applicable on authorized transactions (for approvals and declines) as well as refund or credit transactions.

The new fees will be expanded to include transactions that are US acquired and are globally issued cards with the rate of USD 0.0295. There are no changes being made to the current NABU fees.

<u>New Fee Program</u>	<u>New Rate</u>
MC InterReg NABU Authorization Fee	0.0000% + \$0.0295
MC InterReg NABU Refund Fee	0.0000% + \$0.0295

5. MasterCard Revising Acquirer Brand Volume Fee for the US Region

Mastercard will increase the rate for the Acquirer Brand volume fees for the US region by 0.01%.

<u>Current Fee Program</u>	<u>Current Rate</u>	<u>New Rate</u>
MC Acquirer Brand Volume	0.0000% + \$0.1300	0.0000% + \$0.1400
MC Acquirer Brand Volume Above	0.0000% + \$0.1400	0.0000% + \$0.1500

Discover Updates

1. Rate Changes to the Discover Base Submission Level, US Consumer Interchange Program

As a part of the April 2024 release, Discover is revising the rates for the Base Submission Level, US Consumer Interchange Program.

Current Fee Program	Current rate	New rate
DS Base Submission Level Rewards	3.0500% + \$0.1000	3.1500% + \$0.1000
DS Base Submission Level Prem	3.0500% + \$0.1000	3.1500% + \$0.1000
DS Base Submission Level Core	3.0500% + \$0.1000	3.1500% + \$0.1000
DS Base Submission Level Prem Plus	3.0500% + \$0.1000	3.1500% + \$0.1000

2. Criteria Change to the Discover Emerging Markets, US Consumer, Prime Submission Level Interchange Program

With the April 2024 release, Discover will revise the criteria for the Emerging Markets Prime Submission Level (PSL) interchange program. Consumer credit cards will no longer be eligible for this program and the criteria will be revised to limit eligibility to debit and prepaid account types.

Discover will discontinue the support of the Consumer Credit Cards for the Emerging Markets interchange program. Although these programs will still be visible throughout the systems, no new volume will report to these programs.

Card Brand Description
EMERGING MARKETS REWARDS
EMERGING MARKETS PREMIUM
EMERGING MARKETS
EMERGING MARKETS PREMIUM PLUS

3. Criteria Change to the Discover Retail, US Consumer, PSL Interchange Program

With the exclusion of consumer credit products from the Emerging Markets, US Consumer, PSL interchange program, consumer credit transactions containing an Emerging Market MCC are no longer excluded from qualifying for one of the Retail, US Consumer, PSL interchange programs, provided all other criteria are met.

The current qualification criteria for the Retail, US Consumer, PSL interchange program will be updated to allow transactions conducted with a consumer credit product with an emerging market MCC (4899, 5968, 5983, 6533, 8211, 8220, 8299 and 8351) to qualify for the appropriate Retail program.

Card Brand Description
RETAIL REWARDS
RETAIL PREMIUM
RETAIL
RETAIL PREMIUM PLUS

4. Criteria Change to the Discover Card Not Present, PSL Interchange Program

With the exclusion of consumer credit products from the Emerging Markets, US Consumer, PSL interchange program, consumer credit transactions containing an Emerging Market MCC are no longer excluded from qualifying for one of the Card Not Present (CNP), US Consumer, PSL interchange programs, provided all other criteria are met.

The current qualification criteria for the CNP, US Consumer, PSL interchange program will be updated to allow transactions conducted with a consumer credit product with an emerging market MCC (4899, 5968, 5983, 6533, 8211, 8220, 8299 and 8351) to qualify for the appropriate CNP program.

Card Brand Description
CARD NOT PRESENT REWARDS
CARD NOT PRESENT PREMIUM
CARD NOT PRESENT
CARD NOT PRESENT PREMIUM PLUS

5. Criteria Change to the Discover eCommerce, US Consumer, PSL Interchange Program

With the exclusion of consumer credit products from the Emerging Markets, US Consumer, PSL interchange program, consumer credit transactions containing an Emerging Market MCC are no longer excluded from qualifying for one of the eCommerce, US Consumer, PSL interchange programs, provided all other criteria are met.

The current qualification criteria for the CNP, US Consumer, PSL interchange program will be updated to allow transactions conducted with a consumer credit product with an emerging market MCC (4899, 5968, 5983, 6533, 8211, 8220, 8299 and 8351) to qualify for the appropriate eCommerce program.

Card Brand Description
Ecommerce REWARDS
Ecommerce PREMIUM
Ecommerce
Ecommerce PREMIUM PLUS

6. Criteria Change to the Discover eCommerce Secured, US Consumer, PSL Interchange Program

With the exclusion of consumer credit products from the Emerging Markets, US Consumer, PSL interchange program, consumer credit transactions containing an Emerging Market MCC are no longer excluded from qualifying for one of the eCommerce Secured, US Consumer, PSL interchange programs, provided all other criteria are met.

The current qualification criteria for the eCommerce Secured, US Consumer, PSL interchange program will be updated to allow transactions conducted with a consumer credit product with an emerging market MCC (4899, 5968, 5983, 6533, 8211, 8220, 8299 and 8351) to qualify for the appropriate eCommerce program.

Card Brand Description
Ecommerce SECURED REWARDS
Ecommerce SECURED PREMIUM
Ecommerce SECURED
Ecommerce SECURED PREMIUM PLUS

7. Criteria Change to the Discover Key Entry, US Consumer Interchange Program

With the exclusion of consumer credit products from the Emerging Markets, US Consumer, PSL interchange program, consumer credit transactions containing an Emerging Market MCC are no longer excluded from qualifying for one of the Key Entry, US Consumer interchange programs, provided all other criteria are met.

The current qualification criteria for the Key Entry, US Consumer interchange program will be updated to allow transactions conducted with a consumer credit product with an emerging market MCC (4899, 5968, 5983, 6533, 8211, 8220, 8299 and 8351) to qualify for the appropriate Key Entry program.

Card Brand Description
KEY ENTRY REWARDS
KEY ENTRY PREMIUM
KEY ENTRY
KEY ENTRY PREMIUM PLUS

8. Criteria Change to the Discover Recurring Payments, US Consumer, PSL Interchange Program

Discover is revising the criteria for the Recurring Payments PSL interchange program. The list of eligible MCCs for this program will be reduced to MCCs 4814 (Telecommunication Services) and 4899 (Cable, Satellite And Other Pay Television And Radio Services). MCCs 5968 (Continuity/Subscription Merchants), 7997 (Membership Clubs (Sports, Recreation, Athletic)) and 8351 (Childcare Services) will be removed from the Recurring Payments PSL interchange program:

Card Brand Description
RECURRING PAYMENTS REWARDS
RECURRING PAYMENTS PREMIUM
RECURRING PAYMENTS
RECURRING PAYMENTS PREMIUM PLUS

American Express Updates

1. Amex Rate Changes for Retail, Services and Professional Services, and Other Interchange Programs

Amex is modifying the rates for Retail, Services and Professional Services, and Other interchange programs. Additional information will be communicated as details become available.

Current Fee Program	Current Rate	New Rate
AM Retail Tier 1	1.6000% + \$0.1000	1.4500% + \$0.1000
AM Retail Tier 2	1.9500% + \$0.1000	2.0500% + \$0.1000
AM Retail Tier 3	2.4000% + \$0.1000	2.5000% + \$0.1000
AM Service/Professional Service Tier 1	1.6500% + \$0.1000	1.6000% + \$0.1000
AM Service/Professional Service Tier 2	2.0000% + \$0.1000	2.1000% + \$0.1000
AM Service/Professional Service Tier 3	2.4000% + \$0.1000	2.5000% + \$0.1000
AM Other Tier 1	1.5000% + \$0.1000	1.6000% + \$0.1000
AM Other Tier 2	1.8500% + \$0.1000	1.9500% + \$0.1000
AM Other Tier 3	2.3000% + \$0.1000	2.4500% + \$0.1000