

# Merchant Processing

## Interchange Pricing Model



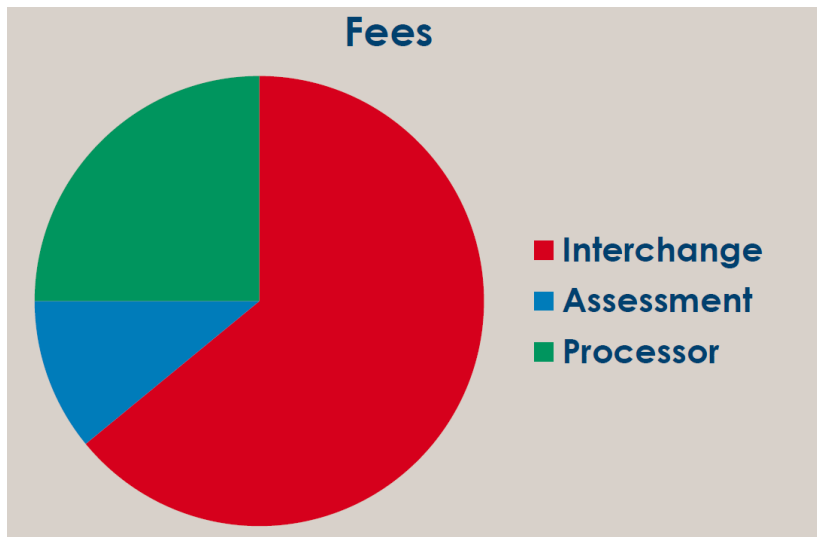
MeridianBank®

# Interchange Basics

The Interchange Pricing Model is the cost of interchange, card brand fees, and processor fees, passed through to the merchant.



# Interchange Basics



Interchange – The standardized electronic exchange of financial and non-financial data associated with sale and credit data between merchant acquirers and card issuers on various types of MasterCard, Visa, etc. transactions.

Assessment – Fees charged on all credit and signature-based debit transactions and paid directly to the card brand. Assessment fees are usually 0.12% - 0.14% of the transaction value.

Processor – Fees charged by an organization that is connected to a network and provides authorization and/or clearing and settlement services on behalf of a member.

# Interchange Basics

## Types of Cards



**Debit Card:** A card issued by a bank allowing the holder to transfer money electronically to another bank account when making a purchase. Lowest risk because funds are transferred immediately from cardholder's account.



**Consumer Credit Card:** A card issued by a bank allowing the holder to purchase goods and services on credit.



**Consumer Rewards Card:** Credit card with a rewards program or points system associated with purchase volume. Provides an incentive to use the card more often for cash back or rewards points.



**Corporate/Business/Purchasing Card:** Used for purchasing inventory or business supplies and travel/other business expenses. Less opportunity for issuer to earn interest; higher average transaction amounts and/or enhanced rewards/perks/advantages.

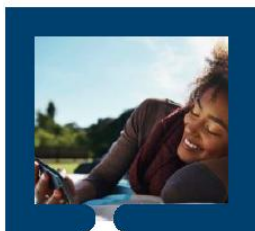


# Interchange Basics

## How Interchange is Processed



**Retail — Card Present and Swiped/Dipped**



**MOTO — Mail Order and Telephone Order**



**E-commerce — Online Purchase/Payment**

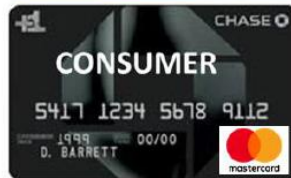
# Interchange Basics

## Retail Interchange:



Interchange Rate

0.80% + \$0.15



1.51% + \$0.10



1.65% + \$0.10



2.65% + \$0.10

Card  
Present



# Interchange Basics

## MOTO/E-Commerce Interchange:

Card Not  
Present



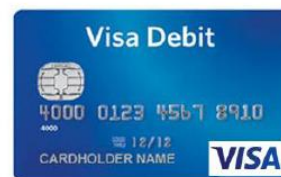
Issuer



Card Number  
Expiration Date  
Security Code

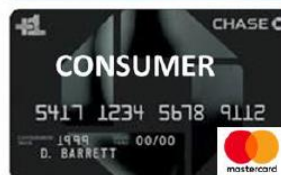


Keyed  
Transaction



Interchange Rate

1.65% + \$0.15



1.80% + \$0.10



1.95% + \$0.10



2.65% + \$0.10

# Interchange Basics

## Card Present vs. Card Not Present



Card Brand	Interchange Category	Interchange Rate & Per-Item
Visa®	CPS Retail	1.51% + \$0.10
Visa	CPS Retail Debit	0.80% + \$0.15
Visa	CPS Rewards 1	1.65% + \$0.10
Visa	Visa Business Debit - Rtl	1.70% + \$0.10
Visa	Visa Purchasing Rtl	2.15% + \$0.10
Mastercard®	Merit 3	1.58% + \$0.10
Mastercard	Enhanced Merit 3	1.73% + \$0.10
Mastercard	Commercial Data Rate 1	2.65% + \$0.10



Card Brand	Interchange Category	Interchange Rate & Per-Item
Visa	CPS Card Not Present	1.80% + \$0.10
Visa	CPS Card Not Present Debit	1.65% + \$0.15
Visa	CPS Rewards 2	1.95% + \$0.10
Visa	Visa Business Debit CNP	2.45% + \$0.10
Visa	Visa Purchasing CNP	2.65% + \$0.10
Mastercard	Merit 1	1.89% + \$0.10
Mastercard	Enhanced Merit 1	2.04% + \$0.10
Mastercard	Commercial Data Rate 1	2.65% + \$0.10

***Please Note:** The rates above are an example for how the card brand fees vary. These rates change bi-annually so the rates above are examples only.*



# Contact Us!

If you would like to learn more about Meridian's Merchant Pricing Model, please visit our website at [meridianbanker.com](http://meridianbanker.com) or email us at [merchant@meridianbanker.com](mailto:merchant@meridianbanker.com).

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We look forward to hearing from you!

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