

Upcoming Changes From VISA

Earlier this year Visa postponed the largest overhaul of its interchange structure in a decade. Most of the changes we expected in April will take effect CPD October 17, 2020. Here is a quick summary of the October changes:

Authorization Response Messages

Starting CPD October 16, 2020, the Field 44.1 (Response Source/Reason Code) of authorization response message will be replaced with a "V". The "V" indicates that the transaction was authorized online.

New Consumer Credit Merchant Segment Incentive

Visa is eliminating its "Retail 2" Program which means it will be introducing new interchange rates for Insurance, Services, Education, Healthcare, Real Estate and Advertising.

The new segment will have minimum ticket size qualification of \$100 for services. The ticket size qualification for Education, Healthcare, and Real Estate transactions will be \$500. Transactions below the ticket size qualification are eligible for the Product 1 and Product 2 interchange rates are listed below:

Insurance - All Transaction Sizes
Effective CPD October 17, 2020

Product	New Interchange Program	New Interchange Rate
Visa Traditional	Insurance	1.43% + \$0.05
Visa Traditional Rewards		
Visa Signature ¹		
Visa Signature Preferred ²		2.25% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Services - Transactions > / = \$100
Effective CPD October 17, 2020

Product	New Interchange Program	New Interchange Rate
Visa Traditional	Services	1.55% + \$0.10
Visa Traditional Rewards		1.70% + \$0.10
Visa Signature ¹		1.85% + \$0.10
Visa Signature Preferred ²		2.30% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Education - Transactions > / = \$500
Effective CPD October 17, 2020

Product	New Interchange Program	New Interchange Rate
Visa Traditional	Education	1.43% + \$0.05
Visa Traditional Rewards		
Visa Signature ¹		
Visa Signature Preferred ²		2.15% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Healthcare - Transactions > / = \$500
Effective CPD October 17, 2020

Product	New Interchange Program	New Interchange Rate
Visa Traditional	Healthcare	1.43% + \$0.05
Visa Traditional Rewards		
Visa Signature ¹		
Visa Signature Preferred ²		2.30% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Real Estate - Transactions > / = \$500
Effective CPD October 17, 2020

Product	New Interchange Program	New Interchange Rate
Visa Traditional	Real Estate	1.43% + \$0.05
Visa Traditional Rewards		
Visa Signature ¹		
Visa Signature Preferred ²		2.15% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Advertising - All Transactions
Effective CPD October 17, 2020

Product	New Interchange Program	New Interchange Rate
Visa Traditional	Advertising	1.55% + \$0.10
Visa Traditional Rewards		1.70% + \$0.10
Visa Signature ¹		1.75% + \$0.10
Visa Signature Preferred ²		2.30% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Visa is also eliminating the Business to Business interchange rate on Visa Signature Preferred and Infinite (Spend qualified)

Consumer Card-Not-Present (CNP) Rate Changes

In addition to interchange rates changes, detailed in the chart below, Visa will rename CNP CPS-qualified transactions as Product -1. The interchange rates below affect the segment-based transactions listed earlier. Effective with this change, Visa is replacing all CPS qualified e-commerce and CNP interchange rates with those in the table.

Product Effective CPD October 17, 2020	Interchange Rate Name	Existing Interchange Rate	New Interchange Rate Name	New Interchange Rate
Visa Traditional	Retail Key Entry CNP e-Commerce Basic e-Commerce Preferred Retail	1.80% + \$0.10	Visa Product 1	1.89%+ \$0.10
	Account Funding	2.14% + \$0.10		
Visa Traditional Rewards	Rewards 2	1.95% + \$0.10	Visa Traditional Rewards Product 1	2.04% + \$0.10
	Account Funding	2.14% + \$0.10		
Visa Signature ¹	Rewards 2	1.95% + \$0.10	Visa Signature Product 1	2.05% + \$0.10
	Account Funding	2.14% + \$0.10		
Visa Signature Preferred ²	CNP	2.40% + \$0.10	Visa Signature Preferred Product 1	2.50% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

CPS-Qualified Recurring Program

Effective October 17, 2020 Visa is expanding the CPS/Recurring program to Visa Signature Preferred transactions with an interchange of 2.20% +\$0.05. The CPS/Recurring interchange rate remains the same for other Visa consumer products.

Consumer Card Present (CP) Interchange Rate Changes

Starting CPD October 17, CPS-qualified card present transactions will be known as “Product 2” with the following Interchange rates:

Product	Interchange Rate Name	Existing Interchange Rate	New Interchange Rate Name	New Interchange Rate
Visa Traditional	Retail	1.51% + \$0.10	Visa Traditional Product 2	1.55%+ \$0.10
Visa Traditional Rewards	Rewards 1	1.65% + \$0.10	Visa Traditional Rewards Product 2	1.65% + \$0.10
Visa Signature ¹			Visa Signature Product 2	1.65% + \$0.10
Visa Signature Preferred ²	Retail	2.10% + \$0.10	Visa Signature Preferred Product 2	2.20% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Changes to Retail Credit Performance Threshold Interchange Rates

Effective CPD October 17, 2020, Visa is creating new retail credit tier interchange rates for Visa Signature and Visa Signature Preferred transactions. Current performance threshold standards will remain unchanged with adjustments coming after a year-end review. Tier Interchange rates for Visa Traditional and Visa Traditional Rewards will change as outlined below.

Product	Interchange Rate Name	Existing Interchange Rate	New Interchange Rate Name	New Interchange Rate
Visa Traditional	Retail Tier 1	1.43% + \$0.10	Retail Tier 1	1.27%+ \$0.10
Visa Traditional Rewards				
Visa Signature ¹	Rewards 1	1.65% + \$0.10		1.35% + \$0.10
Visa Signature Preferred ²	Retail	2.10% + \$0.10		1.97% + \$0.10
Visa Traditional	Retail Tier 2	1.47% + \$0.10	Retail Tier 2	1.47% + \$0.10
Visa Traditional Rewards				
Visa Signature ¹	Rewards 1	1.65% + \$0.10		1.58% + \$0.10
Visa Signature Preferred ²	Retail	2.10% + \$0.10		2.10% + \$0.10
Visa Traditional	Retail Tier 3	1.51% + \$0.10	Retail Tier 3	1.55% + \$0.10
Visa Traditional Rewards				
Visa Signature ¹	Rewards 1	1.65% + \$0.10		1.65% + \$0.10
Visa Signature Preferred ²	Retail	2.10% + \$0.10		2.15% + \$0.10

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Small Ticket Qualifying Merchant Categories Refined, Small Ticket Interchange Rate Created for Visa Signature Preferred

As merchant segments continue to shift, Visa is updating its list of Small Ticket eligible merchant categories effective CPD October 17, 2020. Visa will also extend the Small Ticket program qualification to Visa Signature transactions. Only transactions from the 16 MCCs below will be eligible for Small Ticket exchange rates.

MCCs Qaulfied for Small Ticket Interchange Rate CPD October 17, 2020	
MCC 4111- Local and Suburban Commuter Passenger Transportation including Ferries	MCC 7211- Laundries- Family & Commercial
MCC 4112 - Passenger Railways	MCC 7216- Dry Cleaners
MCC 4131- Bus Lines	MCC 7523- Parking lots, Parking Meters & Garages
MCC 5310-Discount Stores	MCC 7542-Car Washes
MCC 5331- Variety Stores	MCC 7800- U.S. Region Government Owned Localities
MCC 5399- Misc. General Merchandise	MCC 7832- Motion Picture Theatres
MCC 5499-Misc. Food Stores - Convenience Stores & Specialty Markets	MCC 7994-Video Game Arcades/Establishments
MCC 5522-Electric Vehicle Charging	MCC 7995- Betting including Lottery Tickets, Casino Chips, Off Track Betting and Wagers at Racetracks

Product	Interchange Program	Existing Interchange Rate	New Interchange Rate Name	New Interchange Rate
Visa Traditional	Small Ticket	1.65% + \$0.04	Small Ticket	1.90% (min \$0.04)
Visa Traditional Rewards		1.65% + \$0.04		2.20% (min \$0.04)
Visa Signature ¹		2.10% + \$0.10		2.20% (min \$0.04)
Visa Signature Preferred ²	Retail			

¹Includes Visa Infinite (not spend qualified)

²Includes Visa Infinite (spend qualified)

Service stations and government transactions in the merchant categories listed below will remain eligible for the Small Ticket program at their existing interchange rates of 1.65%+\$0.04 for Visa Traditional, Visa Traditional Rewards, and Visa Signature. The small ticket interchange rate for the MCCs below will not be available on Visa Signature Preferred or Infinite (spend qualified) products.

Qualifying MCCs include:

MCC 5411 - Service Stations (with or without Ancillary Services)

MCC 9211—Court Costs, Including Alimony and Child Support

MCC 9222—Fines

MCC 9311—Tax Payments

MCC 9399—Government Services (Not Elsewhere Classified)

All other merchant categories will **no longer** qualify for the Small Ticket interchange rate and will default to the Product interchange rates previously described above, regardless of ticket size.

