

MCPS Direct

RATES

Categories of rates; Qualified, Mid-qualified, Non-Qualified, Debit or Check Card & Rewards Card.

Visa and MasterCard each have several different levels of surcharges each, depending on the type of credit card that's used. All credit card processing banks have the same cost basis per category, known in the industry as "Interchange". Most funnel these various categories into the first 3 listed below. The processing bank and/or the representative sales agency office, can set pricing to the merchant on all 5 levels below, rather than just quoting the "Qualified" rate, provided that the processing bank has the capability to "breakout" or isolate Debit and Rewards Cards which result in significant savings to the merchant.

Qualified is a "swiped", or face to face, transaction. In a retail environment it is the "base" rate and most common type of transaction. Mid-Qualified is a "keyed", or manually entered transaction, either into a terminal or processing software. Any transaction taken over the phone, or by mail, or internet, etc. falls into this category. The rate is higher than Qualified and lower than Non-Qualified.

Non-Qualified is a swiped or keyed transaction that downgrades because the credit card is a corporate business card. Other types of cards, which cause similar downgrades, are fleet purchasing cards, government issued cards, postal workers cards, etc. Other reasons for transactions downgrading are not closing your batch everyday, not complying with address verification prompts, or doing pre and post authorizations. Debit Card or Check Card is a transaction where the customer's own Bank issued the card they are presenting as a Visa/MasterCard transaction (as opposed to a true Debit transaction where a pin number is entered to a pin pad). This transaction carries a lower rate than "qualified" or "swiped", provided that your processor can "breakout" or isolate these transactions to realize the lower rate.

Rewards Card is a transaction that is higher than a swiped transaction but not as high as mid-qualified, again provided that the processor has the capability to isolate the transaction, otherwise it would downgrade to midqualified status.

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