

 **FIRST AMERICAN
PAYMENT SYSTEMS**
Special Announcement

Dear Valued Sales Office:

Twice a year, the Card Companies (Visa, MasterCard, and Discover) implement changes to their platforms as a response to market trends and to more efficiently regulate the payment process. In turn, First American adjusts our platform to accommodate new regulations on behalf of our Partners. We are notifying you of these changes, which will be reflected on April merchant statements distributed in May, as they may impact your client base:

Discount Rate (Effective April 1, 2014)

All merchants boarded prior to January 1, 2014 will be subject to an increase in their discount rates.

Merchants utilizing a Tiered or Enhanced Interchange pricing scenario will see:

- 3 Basis Point Increase to Qualified transactions
- 4 Basis Point Increase to Mid-Qualified transactions
- 4 Basis Point Increase to Non-Qualified transactions

Statement, Monthly Minimum, and Other Fee Increases

All merchants boarded prior to January 1, 2014 will be subject to a \$0.01 transaction fee increase on Visa, MasterCard, and Discover transactions.

All merchants boarded prior to January 1, 2014 with an American Express transaction fee less than the Visa transaction fee will have the American Express transaction fee increased to match the Visa transaction fee.

All merchants boarded with First American between January 1, 2013 and December 31, 2013 will be subject to a \$1 increase to their statement fee and a \$5 increase to their monthly minimum fee.

For merchants processing PIN-based Debit transactions with a transaction price of less than \$0.25, a \$0.01-\$0.05 increase will be applied to a maximum of \$0.25 transaction fee. For merchants processing Electronic Benefit Transfer (EBT) transactions with a transaction price of less than \$0.15, a \$0.01-\$0.05 increase will be applied to a maximum of \$0.15 transaction fee.

All merchants boarded prior to January 1, 2014 were notified via a statement message on their February merchant processing statement (received in March) of the changes.

Should you have any questions or comments regarding this notification, please contact your Client Relations Consultant.

Best regards,

Jason Putnam
Director of Client Relations and Training, Strategic Partner Channel