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TransFirst
Provider of Internet, PC
software, or terminal
solutions

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CENTRAL™



TRANSLINK

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Discover Partnership



TransFirst and Discover have entered into an agreement where our Sales channels can offer Discover at the same rate as Visa/MasterCard. Effective December 1st you may begin offering matching rates for

Visa/MasterCard and Discover.

Example:

Visa/MasterCard rate is 2.05%

Discover rate is also 2.05%

Highlights:

- All new applications and corresponding paperwork will be modified in order to quote pricing accordingly
- Current Discover EASI pricing grid will be phased out effective Dec 1st
- There will no longer be a \$25.00 Discover application fee
- Financial institutions will continue to earn \$10.00 for each new set up
- Merchants approved for processing MC and Visa will be automatically approved for Discover
- We will be receiving Discover numbers almost instantly

Frequently Asked Questions

- What if an existing merchant wants to add Discover? *You will submit a coding request just like you do today to add Discover and you will*

indicate the VS/MC rate as the rate to the merchant. Since there is no pricing to quote, our Helpdesk can now also take these requests from your merchants.

- What if their current Discover rate is lower than the VS/MC rate we would offer them? *Ask the merchant to provide you with a sample statement for proof of this rate. We will handle these on a case by case basis.*
- Can a merchant opt out? *Yes, there is an opt-out option on all merchant applications.*
- If the merchant opts out will the Discover signage still go out in the welcome kit? *Yes, all decals will include Discover, but the Discover logo can be cut off the decal.*
- Will the merchant still be funded and receive statements from Discover? *Yes, in this first phase the merchant will still be paid by Discover and receive a Discover statement.*

The Four Roll Out Phases will include:

- Settlement done through TransFirst, not Discover
- One statement to the merchant that will include Visa/MC/Discover/ JCB
- Chargebacks will be handled by TransFirst
- All account servicing will be handled by TransFirst

Approximate timing for all phases being complete is 24 months.



Cardservice International (CSI)

TransFirst has a partnership with Cardservice International (CSI). It is a referral program designed to board merchants that don't meet TransFirst's underwriting criteria or for merchants that the Financial Institution doesn't wish to assume liability. This program provides you with residual income that you wouldn't ordinarily have.

CSI provides payment solutions for all businesses and professions, including internet commerce, mail order, telephone order and home-based business. CSI also supports all major credit cards, debit cards, gift and loyalty cards, paper and electronic checks. CSI specializes in setting up merchants quickly, with a 98% approval rate on merchant accounts.

CSI Services

Your merchants will have customer service 24 hours a day 7 days a week, in 140 languages and dialects from CSI in order to:

- Reconcile their deposits.
- Get clarification on account statements.
- Obtain assistance with rates, fees, chargebacks, and retrievals.
- Request account updates.
- Obtain terminal support and equipment replacement.
- Website customer service is also available 24/7 to access personalized account information.

 **CARDSERVICE**
INTERNATIONAL.

MasterCard Excessive Chargeback Program

MasterCard has made revisions to their Excessive Chargeback Program (ECP) which will be outlined below. Beginning December 15, 2006, we will be required to report all merchants who are in violation of this program to MasterCard on a monthly basis. MasterCard is also imposing a monthly registration fee and will bill TransFirst for each merchant reported as well as for any fines assessed for violation of this program.

On a monthly basis, the Risk Group will be notifying us of all merchants who violate this program and include any fines or registration fees that will be incurred. We will be passing these registration fees and fines on to the merchant. If TransFirst holds liability on the merchant, we will be notifying the merchant directly. If you hold liability, we will be notifying you, and you will be responsible for notifying your merchant.

MasterCard Excessive Chargeback Program (ECP) Guidelines

The guidelines for the **MasterCard Excessive Chargeback Program (ECP)** include fines and additional fees that can be assessed to the merchant accounts for violation of this program.

Excessive chargeback merchants are identified by their **Chargeback to Transaction Ratio (CTR)** which is the number of chargebacks received in a calendar month divided by the number of sale transactions in the preceding month.

The Program is divided into two categories of merchants. Fines and Fees are assessed based on the criteria below:

Chargeback Monitored Merchants (CMM)

A merchant that has a minimum of 50 chargebacks in a calendar month and a CTR of 50 Basis Points (0.50%)

Excessive Chargeback Merchants (ECM)

A merchant that has a minimum of 50 Chargebacks in a calendar month and CTR For 100 basis points (1%) for 2 consecutive months.

The merchant will no longer be an ECM once the CTR is below 100 basis points (1%) for 2 consecutive months.

For details about fines, please see November 30th email from your account manager.

TenderCard

TenderCard gift cards are closed network (only work in the store the cards are assigned) and replace paper gift certificates. An actual card is loaded on the site at the merchant location with either a value as purchased by the customer, or a value assigned by the merchant regarding a loyalty plan. To avoid confusion, if a merchant discusses Gift Card, always take time to inquire as to exactly what they are looking for since the words gift, stored value, pre-pays, are frequently substituted for one another.

Financial Institution Benefits:

- ⇒ Opens door to offering services you provide to new merchants.
- ⇒ Provides retention for existing merchants that offer gift cards with your bank.
- ⇒ Revenue added for your bank.
- ⇒ Competitors are out there offering this to your merchants.

Merchant Benefits:

Converting from paper certificates to plastic cards increased sales 15-46%.
Breakage on cards is 15%.
Most customers spend more than the value of the card.



FYI's and Reminders

Verified by Visa Limitation on coverage for International cards:

- **International cards that are not enrolled in the Verified by Visa program do not receive chargeback protection.** Visa does not issue a CAVV code (Card Authentication Verification Value) for these transactions, which is on the required fields in the transaction data for protection with the use of Verified by Visa providers.
- **International cards that are enrolled will receive protection against chargebacks under the specified reason codes.** These transactions will have a CAVV code issued.

TransLink: Marketing materials are available for selling this product to your merchants.

Meta Gift Card demos will resume January 11, 2007. Please contact your account manager for more in details.

RDM 6014i Check Imager is now available. It replaces the RDM 6001i and 6004i See email sent December 18th from your account manager.

New Certified Software lists were sent out December 18th by email. Make sure you replace your current version.

