



DISCOUNT RATE TIER REQUIREMENTS

Each time a transaction is processed a percentage of the transaction amount is charged to the merchant for the ability to accept a card as payment. This is called a discount rate. Discount rates are tiered as Qualified, Mid-Qualified, and Non-Qualified. The Qualified rate is the lowest percentage charged to the merchant. Non-Qualified is the highest percentage. All transactions will be charged at the Qualified rate. Following are the requirements for each discount rate tier. Each requirement must be met in order to obtain the corresponding discount rate. If all listed requirements are not met for the Qualified or Mid-Qualified tiers, the transaction will downgrade to the Non-Qualified rate. Examples of why a transaction would downgrade to the Non-Qualified rate are reflected in the Non-Qualified section below.

	Face-to-Face	Non-Face-to-Face (Mail / Telephone Order, Electronic Commerce)
Qualified	<ul style="list-style-type: none"> The card's magnetic stripe must be swiped through the terminal. An electronic authorization for the exact sale amount¹ is received. Authorizations received via voice or telephone request do not qualify. The authorization request and the transmission of the sale must be a single transaction. A "ticket only" transaction using a previous authorization request does not qualify. The batch is settled within one (1) calendar day from the date of the authorization request. The card is not a Business, Corporate, Purchase, or Foreign card. 	<ul style="list-style-type: none"> An order number must be entered into the terminal or software for the transaction. An Address Verification Service (AVS) request is initiated. An electronic authorization for the exact sale amount is received. Authorizations received via voice or telephone request do not qualify. The batch is settled within one (1) calendar day from the date of the authorization request. The Mail Order / Telephone Order indicator is turned on in the terminal or software. The card is not a Business, Corporate, Purchase, or Foreign card.
Mid-Qualified	<ul style="list-style-type: none"> The card's magnetic stripe must be swiped through the terminal OR the correct information from the card must be key-entered as prompted by the terminal or software. An electronic authorization is received. Authorizations received via voice or telephone request do not qualify. The batch is settled within two (2) calendar days from the date of the authorization request. The card is not a Business, Corporate, Purchase, or Foreign card. 	<ul style="list-style-type: none"> An electronic authorization is received. Authorizations received via voice or telephone request do not qualify. The batch is settled within two (2) calendar days from the date of the authorization request. The card is not a Business, Corporate, Purchase, or Foreign card.
Non-Qualified	<ul style="list-style-type: none"> The transaction is not authorized or the authorization is received via voice or telephone request. The batch is settled three (3) or more calendar days from the date of the authorization request. The card is a Business, Corporate, Purchase, or Foreign card. 	<ul style="list-style-type: none"> The transaction is not authorized or the authorization is received via voice or telephone request. The batch is settled three (3) or more calendar days from the date of the authorization request. The card is a Business, Corporate, Purchase, or Foreign card.

¹ Restaurant merchants may vary the authorization amount up to 20% to allow for tips. Hotel and car rental merchants may vary the authorization amount up to 15%. These are the only exceptions to this requirement. Additional qualification requirements also apply for hotels and car rental agencies.