

MERCHANT PROCESSING SERVICES

Statement Fees Defined

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The fees for the merchant services are comprised of three components: (1) Association Interchange and Program Pricing, (2) Network Assessment Fees, and (3) Other Fees.

1) INTERCHANGE

Interchange rates represent the largest part of the card processing expense. Association Interchange Fees are set by Discover, Mastercard and Visa. Program Pricing is set by American Express. Association Interchange and Program Pricing is based in part upon a series of interchange levels and program pricing established by the applicable Association. The Association Interchange and Program Pricing fees charged for a given Payment Transaction depends on the interchange level and program pricing applicable to that Payment Transaction; and that interchange level and program pricing depends on a number of factors established by the Associations; such as the Payment Type presented, specific information contained in the Payment Transaction, how and when the Payment Transaction is processed, the Merchant's industry, and other factors. For a Payment Transaction to qualify at any specific interchange level, the applicable qualification criteria must be met. The current Association Interchange Fee Matrix and Qualification Guide is available at Dollar Bank's business center website: <http://www.dollar.bank/cardservices>

2) NETWORK ASSESSMENTS AND FEES

Assessments are fees set by the associations, that are paid to American Express, Discover, Mastercard and Visa every time there is a transaction using one of their branded cards. Just like interchange fees, all processors pay the same rates and these rates are passed through to the merchant.

American Express (AMEX) Fees

American Express Network Fee

- o Charged by American Express on all settled sales transactions.

Discover Fees

Discover Network Assessment

- o Charged by Discover on all settled sales transactions.

Discover Data Usage

- o Charged by Discover on all Discover sales transactions.

Discover International Service Fee (ISF)

- o Charged by Discover on Discover, JCB, or China Union Pay U.S. transactions for which the card issuer is located in a country other than the U.S.

Discover International Processing Fee (IPF)

- o Charged by Discover on Discover, JCB, or China Union Pay transactions for which the card issuer is located in a different country than the merchant.



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Mastercard (MC) Fees

Mastercard Network Assessment

- o Charged by Mastercard on all settled sales transactions.

Network Access and Brand Usage (NABU)

- o Charged by Mastercard on domestic authorizations and refunds when the card used by the customer is issued within the U.S. (all U.S. domestic issued cards); the NABU does not apply to reversals, chargebacks, or manual cash advances.

MC AVS Auth Access (Card Present)

- o Charged by Mastercard when you use the address verification service to validate a cardholder's address where the card is present at the time of purchase and swiped through the terminal.

MC AVS Auth Access (Card Not Present)

- o Charged by Mastercard when you use the address verification service to validate a cardholder's address where the card is not present at the time of purchase or the card number is keyed into the terminal.

MC Account Status

- o Charged by Mastercard when you initiate a request to validate the cardholder account status, address verification (AVS), card validation code 2 (CVC 2), or any combination thereof.

MC Processing Integrity

- o Charged by Mastercard when an authorization is not utilized for a transaction in a timely manner or is not reversed based on Mastercard standards; if an authorization will not be used for a transaction, card present merchants must complete an authorization reversal within 24 hours; card not present merchants must complete a reversal within 72 hours.

MC Cross-Border Assessment

- o Charged by Mastercard on any transaction on a Mastercard branded credit or debit card in which the cardholder country code differs from the country code of the merchant.

PIN Debit Networks

PIN Debit Card Networks

- o PIN Debit Card Networks are payment networks through which a PIN debit card transaction can be cleared (authorized and settled). Fees are incurred when a merchant processes a PIN debit card through one of the PIN debit networks.

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Transaction Fee

- o This fee is charged for each PIN debit payment the merchant settles through the debit card payment network. This fee is charged per occurrence.

Network Fee

- o Comprised of the interchange and switch fees incurred for processing a PIN debit card transaction. This fee is passed through from each PIN debit card network.

Annual Debit Network Participation Fee

- o Merchants are assessed this annual fee if they have processed a PIN debit transaction over one of the debit card networks. This fee is charged annually and debited from your bank account directly.

Visa (VI) Fees

Visa Assessment

- o Charged by Visa on all settled sales transactions.

Visa Network Acquirer Processing Fee (NAPF)/ BASE II

- o Charged by Visa on all U.S. acquired authorizations on all Visa branded cards; the fee applies to all authorizations even if it is not used for a subsequent transaction.

Visa Misuse of Authorization

- o Charged by Visa when an authorization is not utilized in a timely manner or is not reversed based on Visa standards; if an authorization will not be used for a transaction, card present merchants must complete an authorization reversal within 24 hours; card not present merchants must complete a reversal within 72 hours.

Visa Transaction Integrity

- o Charged by Visa on all U.S. domestic Visa signature debit card transactions or Visa prepaid card transactions that do not meet the qualification criteria of the Custom Payment Service program.

Visa Zero \$ Account Verification

- o Charged by Visa when you initiate a request to validate the cardholder's account status.

Visa Inter-regional Acquiring Fee (IAF)

- o A Visa U.S. fee that applies to all U.S. acquired purchase transactions on non-U.S. issued cards.

Visa International Service Assessment

- o An inter-regional fee applied to transactions that occur with a card issued outside the merchant's acquiring region.

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Visa Fixed Acquirer Network Fee (FANF)

- o The FANF is a variable fee, calculated based on acceptance method (i.e., card present or card not present), merchant category code (MCC), taxpayer ID, and number of locations or sales volume.

3) OTHER FEES

Dollar Bank fees can include:

Transaction Fee

- o Fee charged for each payment the merchant settles through the merchant services. This fee is charged per occurrence.

Pin Debit Transaction/ Electronic Benefits Transfer (EBT):

- o Fee charged for each PIN debit payment the merchant settles through the merchant services. This fee is charged per occurrence.

Authorization Fee

- o Fee charged for each communication request the merchant attempts for payment processing. This fee is charged per attempt.

Back-up Voice Auth Fee:

- o A fee charged to a merchant when the 800-number dial-up voice service is used to authorize a card transaction.
- o A separate charge is incurred if the merchant uses this voice authorization 800-number to call when the merchant terminal displays a 'Code 10' upon authorizing a card.

Sales Discount Fee:

- o Percentage of sales a merchant pays to have Dollar Bank Merchant Services process their transactions. This percentage is expressed in basis points and is charged for each network's sales volume. This discount should be the same rate for all sales volume however.

PCI Compliance Admin Fee:

- o Fee charged for third party certification of merchant compliance with Payment Card Industry (PCI) Data Security Standards (DSS). If not compliant or recertification is not done, a non-compliance fee will be assessed on a monthly basis significantly higher than the normal admin fee. If non-compliance continues, fines will be assessed by First Data.

Monthly Maintenance Fee:

- o This fee is charged monthly as an account service fee for each merchant ID established.

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Chargeback Fee:

- o A fee charged to the merchant for helping facilitate a chargeback or dispute, which is a claim filed by a customer's card-issuing bank that a transaction is not in good standing because of quality, fraudulent or other types of issues.

Non-Settled Card Types:

- o This fee is charged per occurrence for any authorizations processed and cleared on any other card payment network outside of the merchant services agreement the merchant has with Dollar Bank. I.E., some older American Express external service agreements exist; merchants who process over \$1 million per year in American Express card transactions.

ACH Reject Fee:

- o This is charged any time we debit your bank account for fees and there is NSF in your account to cover the debit.

EIN/TFN Non-Matching Fee:

- o Dollar Bank is assessed a fee which is passed onto the merchant for any company name on file whose Federal Tax ID does not match the IRS records. This fee is charged per Merchant ID.

Merchant Account Set-up Fee:

- o This is a one-time fee charged per Merchant ID to establish the merchant account and setup of the merchant profile.

There may be additional fees on your statement not explained on this list. If you have any questions about your fees, please contact Dollar Bank Merchant Services at (412)-261-8334.

