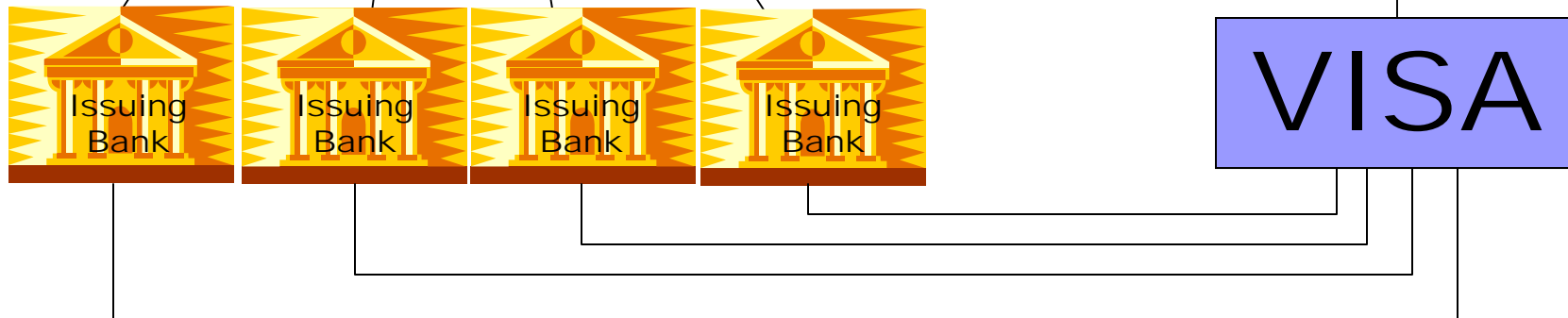
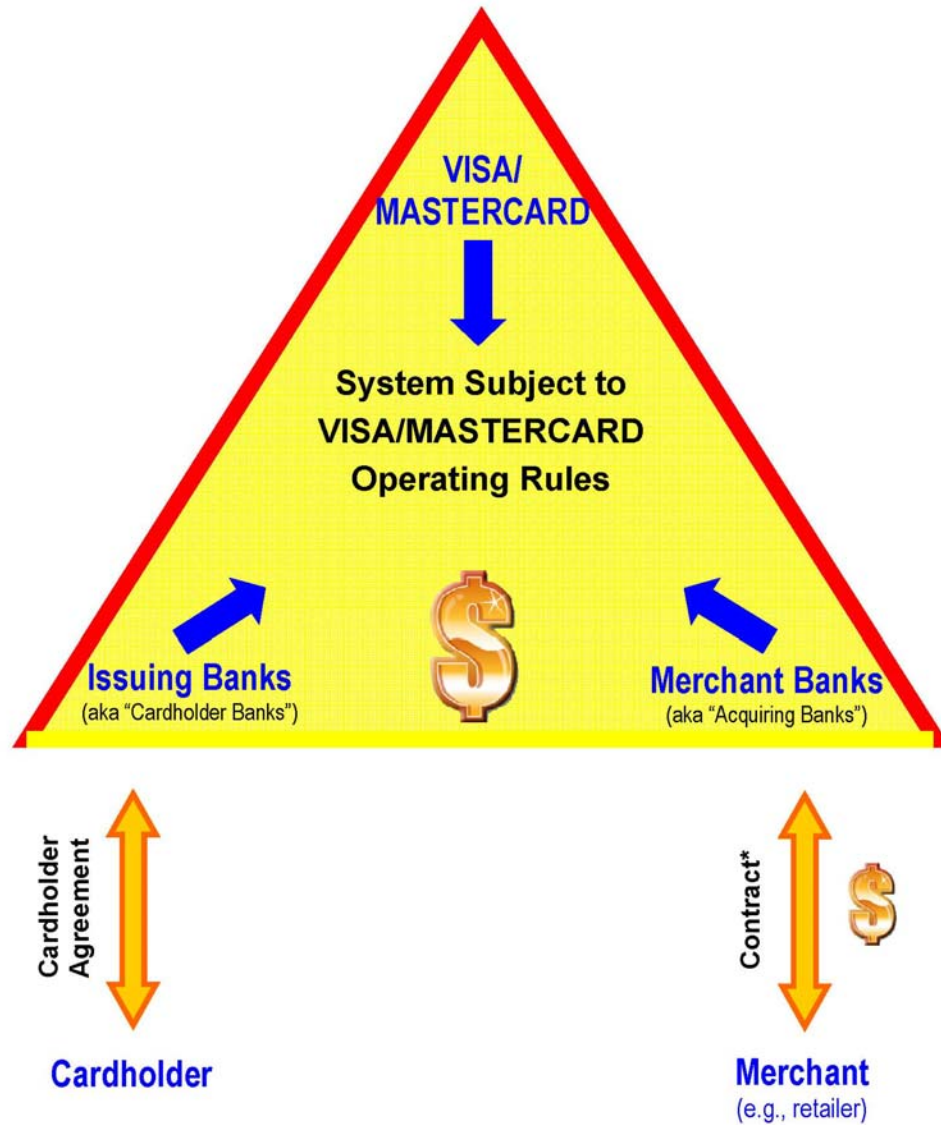


Issuers Impose “All or Nothing” Acceptance Under VISA Brand (Honor All Cards)

Consumer

Merchant





* Typically contract between merchant bank and its retailers requires retailers to reimburse merchant bank for any interchange costs, penalties, or fees imposed by the system rules on the merchant bank (including chargebacks – i.e., disputed charges – and costs of data breaches)



Which Consumers Pay These Fees?

Credit and Debit Card Users

Cash Paying Customers

Check Writers

Federal and State Benefit Recipients

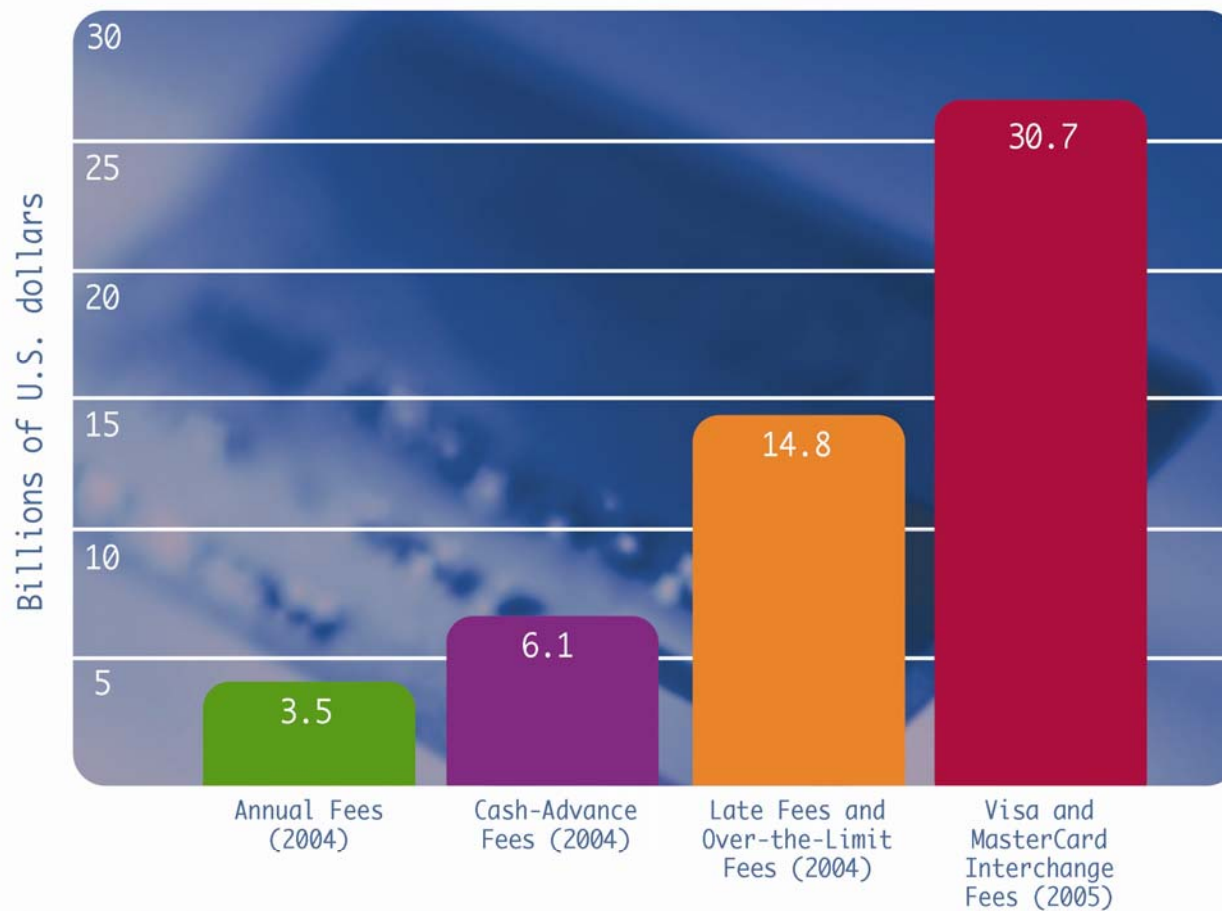
Interchange: Consumer Perspective

- The average U.S. household paid \$427 in undisclosed interchange fees in 2008.
- More money is spent on interchange fees, than annual fees, cash-advance fees, late fees and over-the-limit fees.



Unfair Credit Card Fees

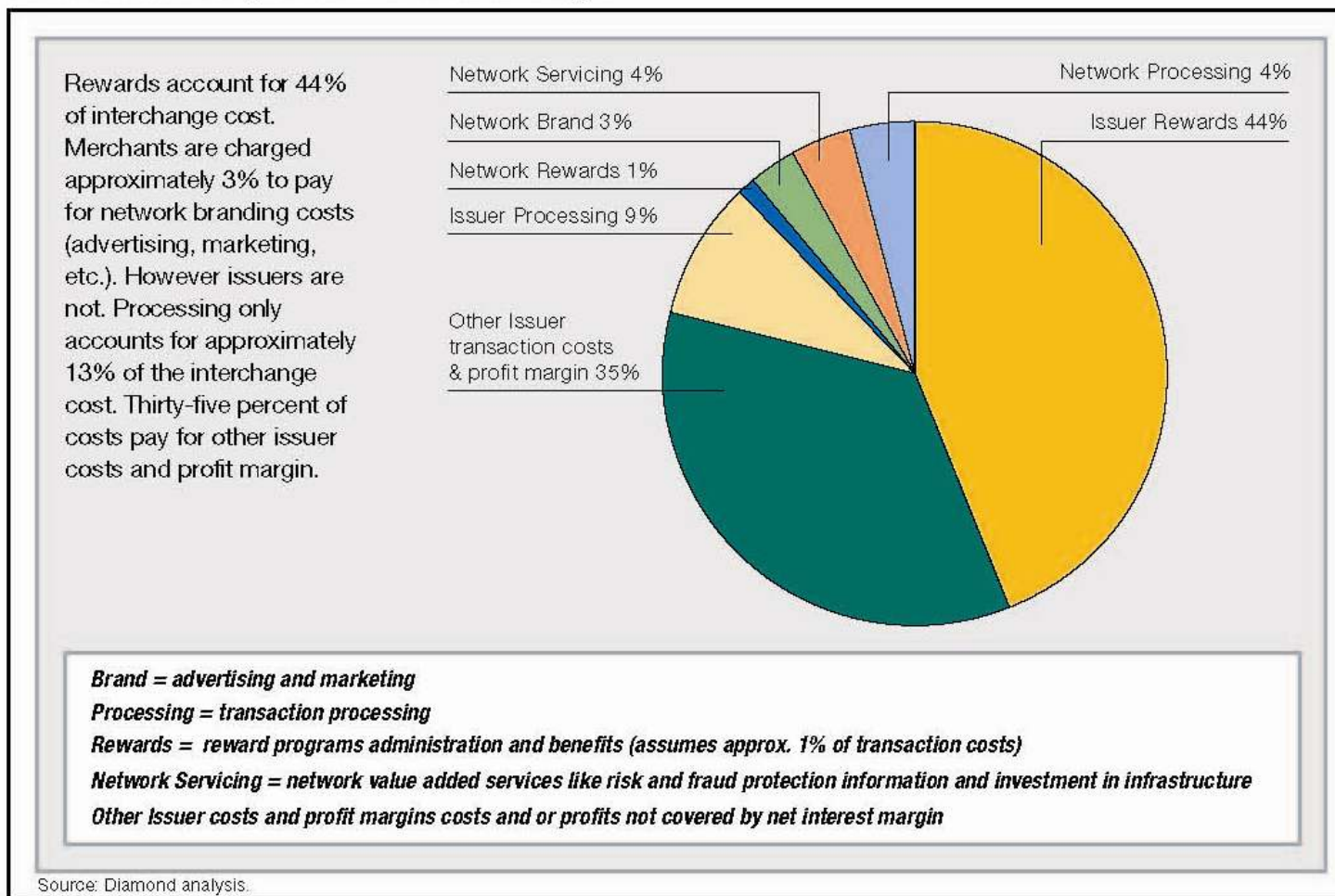
More Unfair Credit Card Fees



(Note: Figures do not include balance-transfer fees, foreign-exchange fees, fees for ancillary services or miscellaneous fees)
Sources: The Nilson Report, CardWeb.com, Merchants Payments Coalition

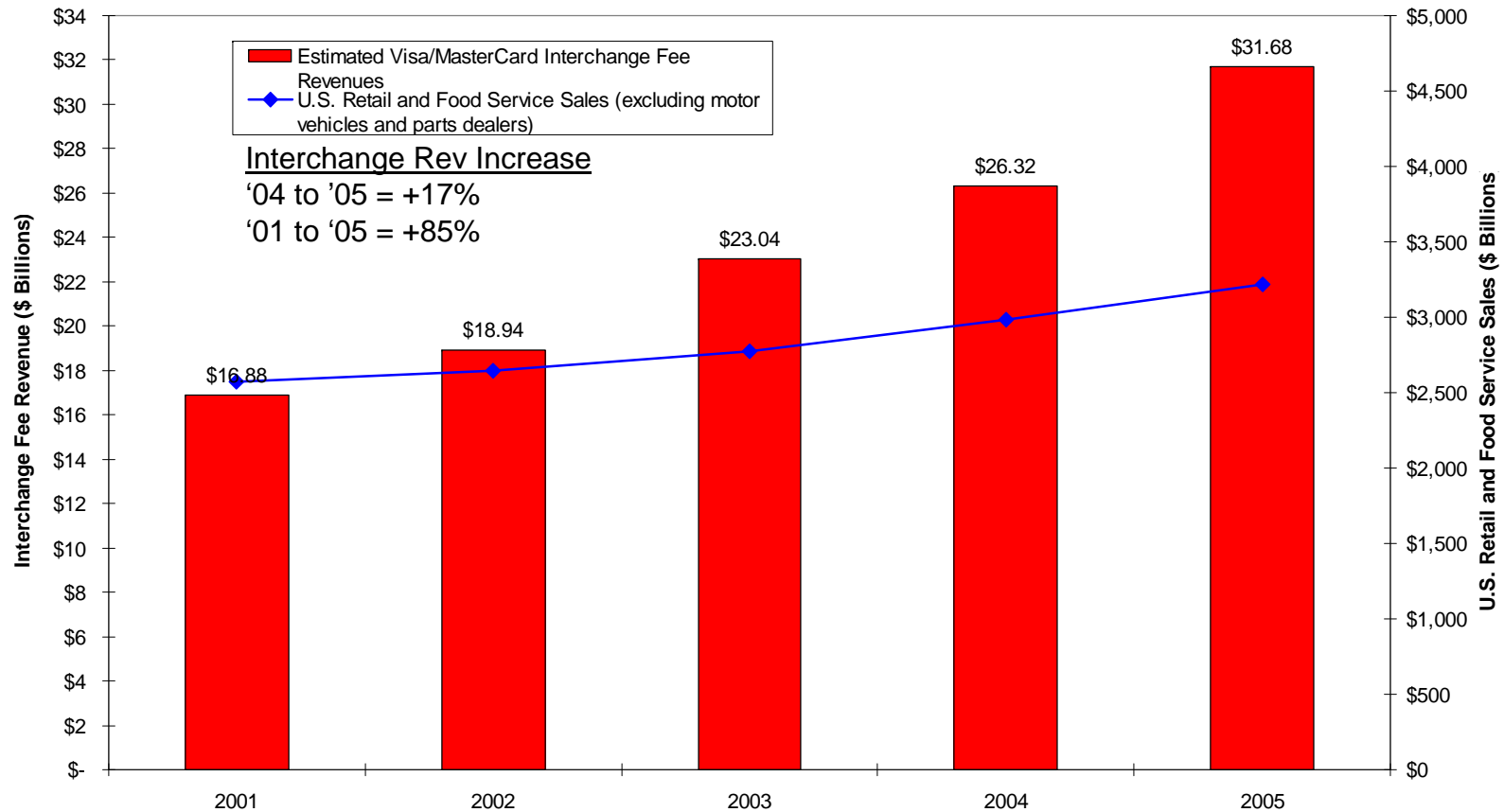
Study finds that processing only accounts for approximately **13%** of the interchange cost.

Estimated Components of Interchange



Interchange Revenue Rising Faster Than Retail Sales

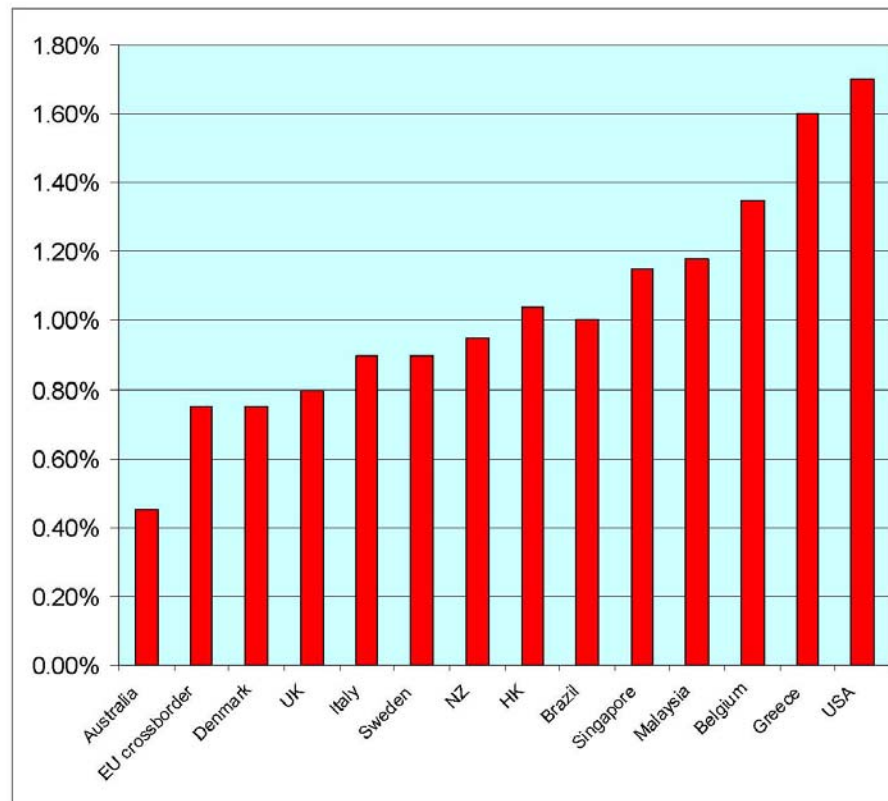
Visa/MasterCard Credit and Off-line Debit Interchange Fees Paid
vs. U.S. Retail and Food Service Sales, 2001 to 2005

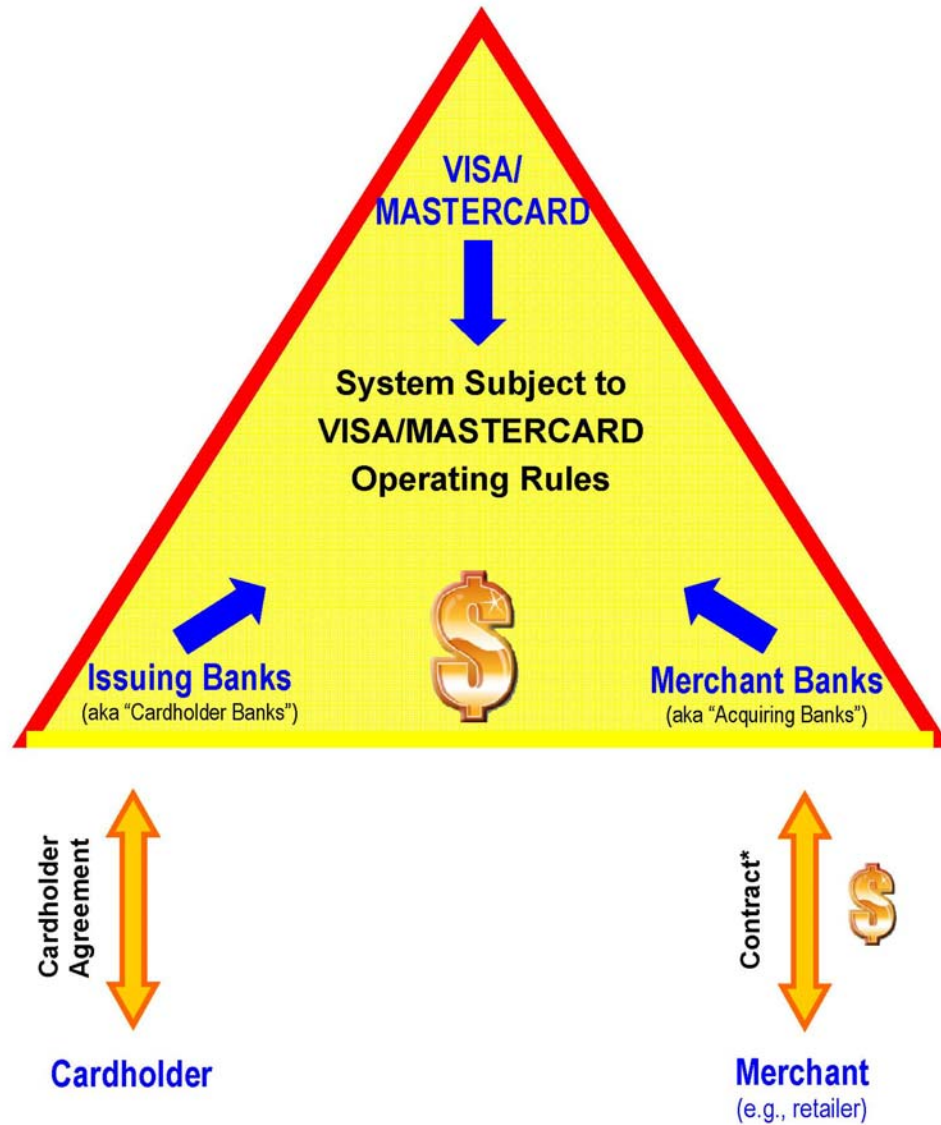


Sources: U.S. Census Bureau, Annual Retail Trade Survey and *The Nilson Report* issues # 833 and 862.

International Interchange Fees

International Credit Card Interchange Fees





* Typically contract between merchant bank and its retailers requires retailers to reimburse merchant bank for any interchange costs, penalties, or fees imposed by the system rules on the merchant bank (including chargebacks – i.e., disputed charges – and costs of data breaches)