

# SIG ALERT



*Keeping You Informed*

**October 2007**

## **New Discover Procedures**

As you may be aware, the Discover Network has been working to increase the acceptance of its Discover Card at merchant locations through direct relationships with ISO's and processors. The long-term goal of this program is for the Discover Card to be treated and processed in the same fashion as Mastercard and Visa. Essentially, it will become a third bankcard. There will no longer be a separate MID issued for Discover, and any merchant approved for a merchant account would be able to accept Discover, just as they could Mastercard and Visa.

Merrick Bank has begun the process of becoming an acquirer for Discover Network, and, starting November 1st, will enter the Interim Merchant Acquirer Program, iMAP. While this program is not the final version, it is a first step toward Merrick Bank becoming a Discover acquirer.

During the iMAP interim program, merchant acceptance of Discover is still an opt-in, meaning the merchants will still need to apply for and be approved to accept Discover Cards. They will still receive a Discover merchant number, and will still have to have Discover acceptance setup in their terminals. The major changes involve pricing and compensation. During the iMAP phase, you will be able to price your Discover merchants using the same pricing you set for your Mastercard and Visa merchants. There will no longer be an up-front application fee paid to you by Discover, but there will be compensation based on Discover processing. This compensation is still being worked out with Merrick Bank, but we will inform you when it is complete. At that time, you will receive your normal revenue share percentage of that compensation.

In preparation for this new opportunity, we have modified our Merrick Bank / Westamerica Bank application to include the new Discover requirements. You can download the new application from our sigagents.com site. We have included a Fact Sheet to provide you with all the relevant information for this new program. Please contact Mo Shamout with any questions you might have.

## **Lower Authorization Fees!**

Great news! Effective November 1, 2007, our authorization fee for Merrick Bank merchants on the First Data platform will be reduced to .04¢! That's a 1.5¢ per authorization reduction, which will mean more income for you! Note that the reduced fee will be reflected in your November residuals, to be paid on or around December 19th. If you have questions about this great new rate, please contact Mo Shamout at mshamout@signaturecard.com. Thanks!