



VALUE-ADD SERVICES

PIN-Based Debit

The use of debit cards is growing tremendously in the United States. In fact the numbers are staggering, with an estimated 13 billion on-line point of sale debit transactions predicted for 2008, up from only 2.9 billion in 1999. The reason for this growth in debit card usage is that many of the cards being issued by banks today are dual purpose credit / debit cards.

Savings

By having an encrypted PIN pad a merchant who conducts face-to-face business can ask the customer if he would like to pay with debit or credit. By keying in their private four digit pin number into the PIN pad when prompted the merchant will typically pay a flat rate of \$0.75 cents, no matter what the amount of the sale. By comparison, using a credit card on a \$100.00 sale, the MasterCard or Visa discount rate would cost the merchant approximately \$1.90, and an American Express sale approximately \$3.25.

Convenience

Accepting debit cards is a real convenience to many customers who cannot get approved for credit cards or prefer not to use their credit card for certain types of purchases. For the merchant it means guaranteed funds without the concern of accepting a check that might later bounce.

Equipment

In order for a merchant to accept pin-based debit transactions an encrypted PIN pad is required. Depending on the type of equipment a merchant is using an external PIN pad may be required. Some credit card processing units now come with integrated PIN pads which eliminates the need for an external encrypted PIN device, however, the integrated unit will still need to be encrypted in order for debit services to be activated.

On-line VS. Off-line Debit

Online Debit – ATM Cards

An online debit card allows the cardholder to access their checking account by keying in their PIN (Personal Identification Number) when prompted by the PIN pad. The terminal will then dial out in real-time and check to see if there are enough funds in the cardholder's account to complete the sale. There is no need for the customer to sign the sales draft. In this case the merchant is charged only the per transaction fee of \$0.75.

Offline Debit – ATM or Check Cards

The vast majority of debit cards issued by banks today are dual purpose ATM/Check Cards. Most are the Visa Check Card or the MasterCard MasterMoney Card. You will notice that they have the Visa or MasterCard logos on them. These cards combine the checking account access of the traditional ATM Card (Online Debit) with the universal acceptance of a credit card. These Check Cards give the customer two options:

The customer can pay with the online debit component by using this card just like a debit card by entering their PIN. There is no need for the customer to sign the sales draft. In this case the merchant is charged only the per transaction debit fee.

The customer can use their debit card just like a credit card. The merchant swipes the card through the terminal and does not request the customer to use the PIN pad. The customer then signs the printer receipt or manual sales draft. The sale will clear at the credit card interchange rate.

Network Access

Once we establish your account to accept debit cards you will have access to all of the major national and regional debit networks including:

STAR©	Maestro©	Shazam©
Honor©	Pulse©	Interlink©
NYCE©	Most©	AFFN©