

What is Payer Authentication?

Payer authentication, also known as Verified by Visa (VbV) and MasterCard® SecureCode™, is the set of security protocols developed by Visa and MasterCard which allow consumers to shop online more securely. Visa and MasterCard give back to eCommerce businesses that enable these programs by providing chargeback protection and lower interchange rates. The programs are also referred to as 3-D Secure. Simply put, payer authentication is validation that the online shopper is the cardholder. Merchants participating in the programs are helping to fight identity theft and consumers are thanking them by repeat shopping at these secure websites.

How do Verified by Visa and MasterCard SecureCode work?

VbV and SecureCode enable cardholders to create a PIN (or "secure code") and assign it to their credit card. During checkout, the Customer is prompted to enter their PIN and the cardholder's identity can then be confirmed by their Card Issuing bank. The Card Issuer provides additional data elements to confirm the cardholder's identity. The data elements are amended to the authorization and settlement messages, thus providing the proper benefits of VbV/MCSC.

Who Is Using 3-D Secure?

- **Issuing Banks**
48 of the top 50
Mandated for Maestro cards
- **Participation**
Over 600 M enrolled cardholders
Over 16 M active cardholders
Over 400,000 + merchants worldwide

Program Highlights

- **Reduce chargebacks by 70%**
- **Receive lower processing rates****
- **Raise Customer confidence**
- **Confidently expand internationally**
- **Help fight identity theft**

Benefits are for eCommerce transactions only. MOTO or POS transactions do not qualify at this time.

Verified by Visa and MasterCard SecureCode were named one of the top four fraud-management tools used by merchants in 2010¹



MERCHANT BENEFITS	Verified by VISA	MasterCard SecureCode™
Liability Shift - Domestic	Authenticated and Attempts*	Authenticated and Attempts* Effective 10/14/2011
Liability Shift - International	Authenticated and Attempts*	Authenticated and Attempts*
Chargeback Blocking - Domestic	Authenticated and Attempts - Yes	No
Chargeback Blocking-International	No	Authenticated and Attempts - Yes
Recurring Transactions	Protection only on first transaction	Protection only on first transaction

* **Authenticated = Cardholder is enrolled in VbV/SC**
Attempts = Cardholder is NOT enrolled in VbV/SC, but merchant is participating
Commercial Cards and Prepaid Gift Cards are not eligible

** - per the rules of Visa and MasterCard

¹ - CyberSource 11th Annual Online Fraud Report



Interchange Rates - 3-D Secure: US only



Grey Highlighted sections represent discounted rate available with program usage

Interchange Rates Effective April 2009 *	
CPS eCommerce Basic Debit	1.60% + \$0.15
CPS eCommerce Preferred Debit	1.55% + \$0.15 (5 bps lower)
CPS eCommerce Basic Rewards Credit	1.95% + \$0.10
CPS eCommerce Preferred Rewards Credit	1.80% + \$0.10 (15 bps lower)



Grey Highlighted sections represent discounted rate available with program usage

Interchange Rates Effective April 2009 *	
Merit 1 Debit - Basic	1.64% + \$0.16
UCAF Merchant Only - Debit (SecureCode: Non-enrolled)	1.05% + \$0.15 (59 bps and \$0.01 lower)
Full UCAF - Debit (SecureCode: Enrolled)	1.15% + \$0.15 (49 bps and \$0.01 lower)
Merit 1 Credit - Basic CORE	1.89% + \$0.10
UCAF Merchant Only - Credit (SecureCode: Non-enrolled)	1.58% + \$0.10 (31 bps lower)
Full UCAF - Credit (SecureCode: Enrolled)	1.68% + \$0.10 (21 bps lower)
Merit 1 Credit Enhanced Value Card	2.04% + \$0.10
UCAF Merchant Only - Credit Enhanced Value (SecureCode: Non-enrolled)	1.73% + \$0.10 (31 bps lower)
Full UCAF - Credit Enhanced Value (SecureCode: Enrolled)	1.83% + \$0.10 (21 bps lower)
Merit 1 Credit World Card	2.05% + \$0.10
UCAF Merchant Only - Credit World Card (SecureCode: Non-enrolled)	1.73% + \$0.10 (32 bps lower)
Full UCAF - Credit World Card (SecureCode: Enrolled)	1.83% + \$0.10 (22 bps lower)
Merit 1 Credit World Elite Card	2.50% + \$0.10
UCAF Merchant Only - Credit World Elite Card (SecureCode: Non-enrolled)	2.20% + \$0.10 (30 bps lower)
Full UCAF - Credit World Elite Card (SecureCode: Enrolled)	2.30% + \$0.10 (20 bps lower)