

Interchange Rate Changes Effective April 2007

S&T Bank recently received information about Visa® and MasterCard® interchange rates that will be effective April 2007. Please carefully review these changes and determine whether your organization's pricing structure requires adjustment.

Changes announced for Visa include:

Visa will increase the number of CPS-qualified rates across each of its three commercial card products and will adjust existing commercial card rates. On each of its commercial products (purchasing, corporate, and small business), Visa will add three additional interchange rates: Business-to-Business (B2B), Retail, and Card Not Present (CNP).

Business-to-Business (B2B)

Transactions eligible for the B2B rate must be CPS qualified and be from merchants operating in qualified Merchant Category Codes (MCCs). Transactions can be either face-to-face or card-not-present.

Retail

Transactions eligible for the Retail rate must be CPS qualified, from merchants operating in non-travel and entertainment (T&E) MCCs, and occur in a face-to-face environment.

Card Not Present (CNP)

Transactions eligible for the Card Not Present rate must be CPS qualified, from merchants operating in non-T&E MCCs, and occur in a non-face-to-face environment.

Commercial Electronic

If transactions eligible for B2B, Retail, or CNP fail CPS qualification, the best rate they can qualify for is Commercial Electronic.

	Purchasing Cards	Business Cards	Corporate Cards
<i>Program</i>	<i>Change</i>	<i>Change</i>	<i>Change</i>
Standard	No change	No change	No change
Electronic	+ .25%	+ .20%	No change
CNP	+ .20% over Electronic	+ .05% over Electronic	No change from Electronic
Retail	No change from Electronic	No change from Electronic	No change from Electronic
B2B	-.10% from Electronic	-.10% from Electronic	-.10% from Electronic
Level 2	No change	No change	+ .10%
Level 3	+ .10%	NA	NA

Changes announced for MasterCard include:

In December 2006, MasterCard announced a new Account Level Management program that, among other capabilities, differentiates Core Value and Enhanced Value programs within the consumer credit platform. The Enhanced Value Platform provides a new economic structure for rewards cards on the platform, ensuring that cardholders receive a minimum level of rewards value.

Effective April 2007, MasterCard is decreasing the Merit 3 Tier 3 interchange rate for both the Core Value and Enhanced Value Platform, and will apply all other existing US region consumer credit rates to the Core Value and Enhanced Value structures.

Effective June 2007, MasterCard will apply new interchange rates for both the Core Value and Enhanced Value Platform rate structures. In general, the Enhanced Value Platform interchange rates will increase and the Core Value interchange rates will decrease. Accounts that are not enrolled, or that does not meet Enhanced Value program requirements, will qualify for the lower Core Value interchange rates.

Program Name	Core Value Change April 2007	Enhanced Value Change April 2007	Core Value Change June 2007	Enhanced Value Change June 2007
Petroleum	+.26% -\$0.10	+.26% -\$0.10		
Merit 3 Tier 3	- .03%	- .03%		
Merit 1			- .06%	+ .09%
Merchant UCAF			- .06%	+ .09%
Full UCAF			- .06%	+ .09%
Merit 3 Base			- .06%	+ .09%
Passenger Transport			- .06%	+ .09%
Travel Industries Premier Service			- .08%	+ .07%
World Petroleum	+.26% -\$0.10	+.26% -\$0.10		
World Merchant UCAF	- .01%	- .01%		
World Full UCAF	- .01%	- .01%		
World Merit 3 Tier 3	- .03%	- .03%		
World Merit 3 Base	- .01%	- .01%		
World Restaurant	+ .09%	+ .09%		
World Elite Petroleum	+.26% -\$0.10	+.26% -\$0.10		
World Elite Key Entered	+ .45%	+ .45%		
World Elite Merit 1	+ .45%	+ .45%		
World Elite Merchant UCAF	+ .46%	+ .46%		
World Elite Full UCAF	+ .46%	+ .46%		
World Elite Merit 3 Tier 3	- .03%	- .03%		
World Elite Merit 3 Base	+ .46%	+ .46%		
World Elite Restaurant	+ .09%	+ .09%		
World Elite Supermarket Base	+ .32%	+ .32%		
World Elite T&E	+ .45%	+ .45%		
World Elite T&E Large Ticket	-.30% - \$0.10	-.30% - \$0.10		

The following corporate interchange programs apply to transactions acquired in the U.S. region that are initiated with MasterCard commercial cards issued in the U.S. region.

Program Name	Business World and Business World Elite Change Effective April 2007
Commercial Standard	+ .15%
Commercial Data Rate 1	+ .15%

Commercial Data Rate 2	+ .15%
Commercial Data Rate 3	+ .15%
Commercial Face-to-Face	+ .15%
Commercial Large Ticket 1	+ .15%
Commercial Large Ticket 2	+ .15%
Commercial Large Ticket 3	+ .15%
Commercial Large Ticket 1 MPG	+ .15%
Commercial Large Ticket 2 MPG	+ .15%
Commercial Large Ticket 3 MPG	+ .15%
Commercial T&E 1	+ .15%
Commercial T&E 2	+ .15%
Commercial T&E 3	+ .15%

Annual Compliance Fee Initiated:

An annual compliance service fee of \$60 will be applied to each merchant account. This fee will appear on your August statement, which reports activity for July.