

## Frequently Asked Questions

### What is the Discover® Network *Recurring Payments* program?

This program enables processing of recurring customer payments by Discover Network Cardholders.

### What are the benefits of the *Recurring Payments* program?

Discover Network *Recurring Payments* enables merchants to process recurring payments more efficiently. It can improve cash flow and reduce billing expenses. And cardholders appreciate the convenience of having bills paid on time automatically—which translates into longer and stronger relationships between customers and merchants.

### How does a merchant enroll in *Recurring Payments*?

Merchants can enroll in *Recurring Payments* by contacting Merchant Key Account Servicing at **1-800-347-2000** or online at **Discovernetwork.com**.

### What are *Recurring Payments* processing requirements?

#### 1. Authorization for each *Recurring Payments* transaction

Merchants must receive an authorization through Discover Network for each *Recurring Payments* transaction.

#### 2. Card Identification Data (“CID”)

Merchants must submit CID with the authorization request for the first Card Not Present *Recurring Payments* transaction. Merchants must not store or retain CID on their systems. Also, merchants must not submit CID with subsequent *Recurring Payments* transactions.

#### 3. ISO processing codes

Each *Recurring Payments* transaction must include an ISO processing code in Field 3 of the authorization request. *Recurring Payments* processing codes include:

Process Code	Name/Description
13	<b>Address Verification with a Goods or Service Authorization for <i>Recurring Payments</i></b> <i>Provide street address and ZIP code for a continually recurring charge (e.g., monthly, bimonthly) for goods or services</i>
14	<b><i>Recurring Payments</i>—Goods or Service</b> <i>A continually recurring charge (e.g., monthly, bimonthly) for goods or services</i>
15	<b>Installation Payment—Goods or Service</b> <i>Paying for a single good or service in installments over a defined period of time (e.g., monthly)</i>
16	<b>Subscription</b> <i>Paying for a subscription on a regular basis (e.g., yearly)</i>

#### 4. Valid expiration date

Each authorization request for a *Recurring Payments* transaction must include the valid expiration date from the card account.

**Why do I need to use these processing codes?**

To protect against disputes and chargebacks. *Recurring Payments* differs from other transactions and has unique rules governing them. Discover® Network, like other payment networks, has rules regulating *Recurring Payments* agreements with cardholders, storage of cardholder data and transaction processing requirements. These rules work to reduce disputes and chargebacks.

**Which ISO processing code should I use?**

Submit the ISO processing code that best fits the type of sale. If you are still in doubt of which code is most appropriate for your business, use 14—Recurring Billing.

**What if my processor cannot update my point-of-sale or billing systems?**

You should not participate in *Recurring Payments* if your processor is not able to update your POS or other billing systems to comply with *Recurring Payments* requirements. However, we would encourage you to have your POS or other billing system providers update it in the near future.

**What is required to enroll cardholders in *Recurring Payments*?**

Merchants must obtain the cardholder's written or electronic consent to participate in *Recurring Payments*. Merchants must retain evidence of consent for the term of the plan. If Discover Network requests evidence of the cardholder's consent to participate in a plan, the merchant must provide this evidence.

Each agreement by a cardholder to participate in *Recurring Payments* must include:

- Cardholder name and address
- Card account number and expiration date
- Timing or frequency of payments and length of the plan
- Merchant account number
- For installment agreements, amount of each card sale and total dollar amount of installment agreement
- Contact Discover Network for a sample enrollment template

**Who do I contact if I have additional questions?**

Please contact Discover Network at **1-800-347-2000** or online at **Discovernetwork.com**.

