

Global Expansion of Debt Repayment on Debit and Prepaid Cards

Global | *Acquirers, Issuers, Processors, Agents*



Overview: Visa will allow debt repayment to occur on debit and prepaid cards in all regions. In addition, debt repayment rules will be refined in Australia, Canada, New Zealand, the U.S. and Europe.

Visa is expanding the use of debit and prepaid cards for debt repayment. The following rules will take effect in 2018.

- **Effective 14 April 2018:**
 - Cardholders in all regions will be able to repay debt with debit and prepaid cards.
 - The debt repayment rules will be refined in Australia, Canada, New Zealand and U.S.
- **Effective 13 October 2018,** the debt repayment rules will be refined in the Europe region.

Debt Defined

The Visa Rules define debt as money owed by one party (debtor) to another party (creditor), including the obligation to repay money in connection with the following:

- Loans
- Credit card balances
- Funding of the purchase of goods and/or services by a third party

According to the Visa Rules, the following are not treated as debt:

- Lease payments where ownership of the goods does not automatically pass to the lessee at the end of the lease
- Installment or delayed payment for the purchase of goods or services under terms provided to the cardholder by the seller of the goods or services

Permitted Types of Debt

Repayment of all types of debt will be permitted, except for:

- Debt that exceeds the statute of limitations and is no longer collectible in a lawsuit
- Payday lending, in all regions except Europe

Charged off debt may only be repaid using Visa debit or prepaid if the merchant is one of the following:

- A regulated financial institution
- A non-financial institution that is located in the Europe region and is the member of a recognized professional body or association

The new rules allow for both domestic and international transactions.

Products That May Be Used

Visa will allow all debit and prepaid cards to be used to repay debt.

Debt repayment is still prohibited on credit, charge and delayed debit cards, with the exception of the UK and restricted pilots in Australia, France and New Zealand.

Processing Requirements

All debt repayment transactions must carry the Debt Repayment Indicator.

Transactions must carry either of the following merchant category codes (MCCs):

- MCC 6012—Financial Institutions—Merchandise, Services, and Debt Repayment
- MCC 6051—Non-Financial Institutions—Foreign Currency, Money Orders (Not Wire Transfer), Stored Value Card / Load, Travelers Cheques and Debt Repayment

Additional Requirements

For additional requirements, including changes for existing markets in Canada, Europe and the U.S. regions, as well as in Australia and New Zealand, refer to the October publication of Visa Rules.

Additional Resources

["Debt Repayment Program Launched in Australia and New Zealand,"](#) *Visa Business News*, 20 April 2017

["Debt Repayment Program Launched in Canada,"](#) *Visa Business News*, 20 April 2017

Note: For Visa Online resources, you will be prompted to log in.

For More Information

AP, Canada, CEMEA, LAC, U.S.: Contact your Visa representative. Merchants and third party agents should contact their issuer or acquirer.

Europe: Contact Visa Europe Customer Support on your country-specific number, or email CustomerSupport@visa.com.

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