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2027 Visa and Mastercard Changes: What Credit Unions Need to Know

BY
DR. ART HARPER

650 West Ave., Suite 3011
Miami Beach, FL 33139

Toll Free: 855-SSAMAHA (855-772-6242)
Fax: (909) 494-5538

www.ssamaha.com
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Why 2027 matters for credit union card programs

Credit unions that issue Visa or Mastercard cards should plan now for lower credit interchange, tighter rewards economics and rising network fees, because the first changes could take effect in 2027. A proposed settlement between the networks and U.S. merchants would trim average credit interchange, cap rates on standard cards and let merchants decline whole categories of cards. Separately, network fees on tokenized and digital transactions keep rising.

Credit unions were not parties to the case, but the interchange they earned helped fund rewards, fraud management and program operating costs. America's Credit Unions describes the settlement as an industry compromise meant to head off government mandates such as the Credit Card Competition Act (America's Credit Unions).

This article summarizes what is known as November 4, 2026, what it could mean for credit union's card economics, and why an outside review of the card program with Samaha & Associates is a practical next step. Nothing below is final: the settlement still needs final court approval and may be appealed.

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What is changing

The main 2027 driver is a proposed settlement of the long-running U.S. merchant interchange case, which would change credit interchange, card acceptance and surcharging, alongside separate network fee increases. All settlement terms below are proposed until the court enters final judgment.

CHANGE	WHAT IT DOES	TIMING	SOURCE
10 bp average cut	Lowers the combined Visa and Mastercard average effective U.S. credit interchange rate by 10 basis points versus the 12 months ending March 31, 2025, for five years	Starts no earlier than 4 months after approval, on an April or October network release	PayKings
1.25% interchange rate cap on standard cards	Caps posted rates on Visa Traditional and Traditional Rewards and Mastercard Core and Enhanced Value credit cards; premium and rewards-tier cards are not capped	Same start; runs for the settlement term (reported as 8 years)	Optimized Payments, The Financial Brand
Rate freeze	Posted rates for commercial, premium and standard credit cannot rise above their March 31, 2025, levels	Five years	PayKings
Category acceptance	Merchants may accept or decline all debit, all commercial credit, all standard consumer credit or all premium consumer credit cards	Network rules change within 90 days of approval	PayKings
Surcharging	Brand- or product-level surcharges up to the lesser of 3% or the merchant's cost of acceptance; dual pricing is confirmed	Same 90-day window	PayKings
Visa Digital Commerce Services Fee	Steps up to 2.25 bp domestic and 5.25 bp cross-border on card-not-present activity, per one industry analysis	April 1, 2027	PaymentReview

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Where the case stands: Visa and Mastercard signed the settlement on November 10, 2025, and Judge Brian Cogan granted preliminary approval on June 9, 2026. Class counsel moved for final approval on July 15, a coalition of 978 merchants and trade groups filed objections on September 10, and trade press reports a fairness hearing on November 16, 2026 (PayKings). A retail trade group has said it would appeal to the Second Circuit if final approval is granted, and Mastercard has said approval would most likely come in late 2026 or early 2027 (Retail Dive).

Because rate changes are tied to the April and October releases and cannot start sooner than four months after approval, the April or October 2027 releases are the realistic windows, depending on the approval date and any appeal. Credit unions with debit programs should also confirm the status of the Federal Reserve's Regulation II debit interchange proposal, which America's Credit Unions has argued affects even exempt issuers (America's Credit Unions guidance).

Financial impact on credit unions

Expect pressure on both sides of the P&L: less interchange income on some credit products and higher network costs on others. Interchange is issuer

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revenue, while network fees are issuer cost, and smaller institutions face a scale penalty on those fees (CardTraq).

- **Standard credit cards**. The 1.25% cap is a direct revenue cut wherever a standard product posts above it. PayKings cites Visa's April 2026 card-not-present rates of 1.89% plus $0.10 for Traditional and 2.04% plus $0.10 for Traditional Rewards, both above the cap (PayKings).
- **Premium and reward cards**. These cards are not capped, but effective interchange rates would be frozen for five years. Merchants could also surcharge by card category and brand, up to 3%, and could choose to decline premium cards altogether. Because rewards are funded by interchange, premium products could shift from a status symbol to a liability for issuers, which may force them to rethink how rewards are funded. (The Financial Brand; Payments Dive) Network fees. The settlement targets interchange, not network revenue. Visa and Mastercard restructured tokenization and card-updating fees in April 2026, and Visa has announced a further step in April 2027 (PaymentReview). UBS notes Visa has also introduced fees on

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tokenized card-present transactions in the U.S. (Yahoo Finance). Confirm with your processor how each of these reaches your program.

- **Scale of the numbers**. As an illustration only, 10 basis points on $100 million of annual credit purchase volume is $100,000 a year. The 10 bp cut is a system-wide average, so a credit union's real effect depends on its product mix, which is why tier-level data matters.

Operational and compliance impact

The operational work is mostly contractual and communications work, and the lead time is short. Once final approval is entered, the networks must notify U.S. issuers, acquirers and merchants of the required rule changes within 60 days (Optimized Payments).

- **Processor and agent bank contracts**. Check how fee changes pass through, what notice you receive, and whether you can renegotiate or exit. Network fees are usually passed down through processors and program managers, who decide whether to absorb or reprice them (VCC Directory).
- **Network rule changes already in motion**. Visa's October 2026 rules update says chip-card authorization messages processed through

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VisaNet may be subject to processing fees and sets a new biometric point-of-sale framework effective April 24, 2027 (Visa Core Rules).

- **Rewards and member communications**. Changes to rewards, fees or terms need member notices and front-line scripts. Confirm notice requirements with counsel before changing any program terms.
- **Merchant surcharging and declines**. Members may start seeing surcharges or declined card categories at checkout. Prepare service teams for questions and note that state surcharging laws vary (PayKings).
- **Scenario planning**. Build plans for three cases: approved on schedule, approved but appealed, and not approved.

Why credit unions should engage Samaha to review their card programs

A card program review before the new terms land gives a credit union its own numbers, a negotiating position and time to act. Samaha & Associates, a Miami-based consulting firm founded in 1998, focuses on credit unions and fintechs and lists vendor searches, negotiations and implementations for cards and payment systems, plus revenue optimization, among its specialties (Samaha & Associates). Its published specialties include credit card program assessments, reward card program evaluations and card processor

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evaluations (LinkedIn), and its service list includes contract negotiations and card fraud assessment and mitigation (CUbroadcast).

Client reviews describe the work in practice: Topline Federal Credit Union used Samaha to negotiate a new card processing agreement, and US Community Credit Union used it for the search, selection, negotiation and implementation of a new credit and debit processor in 2022 and 2023 (client reviews).

A review aligned to the 2027 changes would typically cover:

- Interchange, network fees, rewards cost and fraud losses by product tier, for credit and debit
- Processor or agent bank contract terms on pass-through of fees, notice, repricing and exit
- Rewards program economics under capped, frozen and surcharged scenarios
- Tokenization, account updater and fraud settings that affect network fee exposure
- A modeled range of outcomes for the settlement, and a negotiation or vendor-search plan if the numbers warrant one

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Action plan

1. Pull 12 months of card data by product tier, covering interchange, network fees, rewards cost and fraud losses for credit and debit.
2. Read your processor or agent bank contract for fee pass-through, notice and exit terms.
3. Engage Samaha & Associates to review the program and model scenarios, so findings are ready before the April and October 2027 release windows.
4. Model three scenarios: approved on schedule, approved but appealed, and not approved.
5. Adjust products and rewards where the model shows the greatest exposure, and tune tokenization and account updater settings to manage network fees.
6. Brief the board and prepare member communications, then revisit the plan after the court rules.

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Accessed November 4, 2026. Settlement terms are summarized from secondary sources; confirm against the settlement agreement and court docket before relying on them.

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