

## **Tenant Demand Spurs Rise in Visa Acceptance for Rent Payments**

### ***More than 1,000 Properties Nationwide Now Take Visa for Monthly Rent Payments***

SAN FRANCISCO, September 29, 2003

Visa USA today announced that the number of properties offering tenants the option of paying their monthly rent with a Visa debit or credit card jumped 43 percent, to 1,000 properties, as of June 30, 2003, compared to a year earlier.

Visa surveyed the top five property management companies contributing to this growth and found that tenant demand was the chief reason for initiating or expanding acceptance of debit and credit cards for rent payments.

Card-based bill payments allow customers to pay regular household bills such as rent, phone, cable TV, and insurance with their Visa debit or credit card. Rental properties in all 50 states now offer bill payment by Visa card as an option for their tenants. The more than 1,000 properties accepting Visa represents 350,000 total rental units nationwide.

"Property managers tell us that that offering the payment card option enhances existing resident satisfaction attracts new tenants and increases retention," said Jim Eitler, vice president, merchant sales and integrated solutions, Visa USA. "We're committed to working with property managers to ensure that Visa's payment solutions help them run their businesses more efficiently and profitably."

While checks remain the most popular way to pay rent and other monthly bills, Visa research found that approximately one-third of U.S. consumers are interested in or would take advantage of the option of using a debit or credit card to pay regular household bills if it were offered. The research also revealed that consumers write an average of 10 checks per month, the first usually being a check for a rent or mortgage payment.

More and more, consumers are able to use debit cards for transactions typically reserved for checks. Visa is breaking the stronghold that checks have long held in the rental property arena by working with property management companies to help them expand the card option to renters.

"The decision to begin accepting Visa for rent payments grew out of resident demand, but we expanded our program because of the financial benefits it yielded," said Drew Schunk, vice president of Dallas-based Lincoln Property Company. "When our customers use a Visa card, it ensures us on-time payment and results in fewer delinquencies than checks."

According to a Downall Research Company study commissioned by Visa, most apartment community managers recognize the benefits of bill payments by card. The 2002 study surveyed 105 community managers of a large owner of apartment communities in the U.S., and found that 83 percent of respondents said the use of payment cards increases on-time payments. In addition, 81 percent said the payment card option makes apartment homes easier to rent.

In April, at Visa's request, the American National Standards Institute (ANSI) established a separate Merchant Category Code for tracking transactions at property management companies. The separate code will help card issuers establish authorization limits and set risk parameters in the industry. The separate code will also enable many cardholders to view exactly how much

they've paid for rent during the year since card issuers can use the code to categorize rent payments on cardholders' year-end statements.

Earlier this year, Visa also launched Visa Account Updater (VAU), a service for merchants that automates the process of updating their customers' Visa card information. For property management companies, the service greatly reduces disruptions to the payment process that result from outdated account information, and increases approved card transactions. More than 55 percent of Visa cards have account information changes annually due to expiration date changes, closed accounts, card replacements, upgrades to Gold or Platinum, loss or theft, and portfolio acquisitions or mergers.

The recent spike in the number of property management companies accepting and promoting bill payment by Visa comes on the heels of recent strides Visa has made in other industries where standard monthly bills are the norm, such as telecommunications and cable TV. Visa saw its automatic bill payments card volume jump 26 percent in 2002, and the five largest telecommunications companies and the top five cable TV companies now accept bill payments by Visa debit or credit card.

Visa's research shows that the primary reasons why consumers choose debit or credit card-based bill payment are to save time, ensure on-time payment, avoid the hassles of check-writing, provide added protection in cases of dispute, and earn rewards or incentive points.

### **About Visa**

Visa is the world's leading payment brand and largest consumer payment system, enabling banks to provide their consumer and merchant customers with a wide variety of payment alternatives. Nearly 21,000 financial institutions worldwide rely on Visa's processing system, VisaNet, to facilitate \$2.5 trillion in annual transaction volume with virtually 100 percent reliability. Consumers in more than 150 countries carry more than one billion Visa-branded cards, accepted at millions of locations worldwide. Within the U.S., nearly 14,000 financial institutions issue 396 million Visa cards, accounting for more than \$1 trillion in annual transaction volume. Visa offers a trusted, reliable and convenient way to access and mobilize financial resources - anytime, anywhere, anyway.