

## MasterCard Vendor Account Fact Sheet

### MasterCard Vendor Account Definition:

- A MasterCard Vendor Account is an electronic payment system, commonly referred to as a “merchant account.”
- This account enables the contractor to accept credit card payments through a “virtual terminal” (Internet website) or a “physical terminal” (storefront) for services rendered.

### Reverse Auction Program Requirements:

- To participate in the Reverse Auction Program, each bidder must establish and maintain a vendor account with a MasterCard credit card company or merchant account provider.
- This account **must be able to process payments through an online terminal with a Merchant Category Code (MCC) of “9399-Government Services.”**
- The merchant account **must be set-up** using a credit card and not a debit/ATM card.

### The Payment Process:

- The contractor receives a HUD Account number from the Reverse Auction Program.
- To claim payment for inspection work, the contractor will be required to enter an “authorization code” for each inspection performed (**the authorization code is the Inspection ID**) as point-of-sale information.
- The authorization code is entered into the virtual terminal, which initiates the payment into the contractor’s bank account. This is similar to “swiping” a credit card through a physical terminal.
- The credit card information is sent to a processing bank.
- The processing bank ensures that there are appropriate funds in the account and transfers the money to the contractor’s account within approximately 2 to 3 business days, depending on the processing bank.

### Establishing a Vendor Account:

- The contractor must first establish a checking account to apply for a Level II MasterCard Vendor Account. The vendor account can be established through any merchant account provider that can process MasterCard Level II transactions.
- To apply for vendor status, you must be able to provide your business information by completing an online application. Information may include your name, Federal Tax ID or Social Security Number, and the number of the account in which payment is to be deposited.
- Approval, on average, generally occurs within two to three business days and virtual terminal setup occurs within five to six business days.

- There are fees associated with establishing and maintaining a vendor account. These fees vary according to the business needs and the provider. **The Reverse Auction Program does not pay activation or transaction fees associated with an account; the bidder must factor any additional costs into the bid per inspection.**

Level II Data (POS/Customer Code):

- **Your account must use the requirements under Level II Data. If you do not have a Level II account, you will *not be able* to receive payment for inspection work.**
- A Level I vendor account is insufficient for the Reverse Auction Program. It is a standard card for a purchase transaction and only includes information such as “total purchase amount” and “date.”
- A Level II vendor account requires additional information for each purchase. This additional information includes the “authorization code,” which is necessary for payment for a specific inspection.