



Electronic Payments Coalition

THE FINANCIAL SERVICES ROUNDTABLE
Impacting Policy. Impacting People. 



AN OPEN LETTER OPPOSING THE INTERCHANGE BILL

Dear Members of Congress:

We, the community banks, credit unions, state banking associations and companies that make up the Electronic Payments Coalition, are writing to express our strong opposition to H.R. 5546, the Credit Card Fair Fee Act. We urge you to not be misled by the rhetoric of those looking to shift their costs of doing business onto consumers. Indeed, this bill:

- Creates a new government bureaucracy consisting of a three judge tribunal to set rates on the electronic payments system;
- Refers to “determining” and/or “establishing” rates and fees 13 times;
- Uses 35 pages of the 45-page bill to describe the price-setting panel;
- Calls on three unelected bureaucrats to determine rates in what they, in their own experience, would deem a “perfectly competitive” market.

This legislation would harm the competitive balance in the financial services industry, as artificially low interchange fees will have a disproportionate effect on smaller financial institutions – those that receive the interchange revenue. These institutions depend on interchange revenue to be able to provide a unique and localized brand of customer or member service.

American consumers would ultimately feel the most pain from price control legislation. As the market would likely shrink to a handful of larger institutions that could continue to offer card products in a price-controlled environment, consumers will have fewer payment options and reduced access to affordable debit and credit cards.

Oppose H.R. 5546, an ill-conceived bill that will do far more harm than good in many crucial segments of the U.S. economy.

Sincerely,

The Members of the Electronic Payments Coalition

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