



FEDERAL CREDIT UNION

June 9, 2008

The Honorable Hank Johnson
U.S. House of Representatives
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Dear Rep. Johnson:

I am writing on behalf of GEMC Federal Credit Union to urge you to oppose H.R.5546, the *Credit Card Fair Fee Act*. GEMC FCU serves over 11,000 employees of the Electric Membership Cooperatives and their family members around the state of Georgia as well as in your district.

Credit unions would be significantly harmed if this legislation becomes law. The current system allows credit unions to offer their members credit and debit cards at rates competitive with even the largest financial institution. While proponents of the bill present the bill as a measure intended to increase competition and negotiation, I fear it will ultimately decrease competition among financial institutions that offer credit and debit card services.

The electronic payments system has been one of the most important financial services innovations of the last century. Consumers have access to cash nearly anywhere on the globe. We can stop by the grocery store without worrying about having enough cash in our wallets, or renew our car registration online, all thanks to the electronic payment system. Merchants also reap tremendous benefits in the form of increased sales, reduced costs for overhead such as accounting for and transporting cash, fewer fraud losses and immediate payment for goods and services.

H.R. 5546 would – I believe – have unintended consequences, particularly for smaller financial institutions. As currently drafted, the proposal may very well drive up costs for consumers, while strangling innovation. As not-for-profit financial cooperatives, interchange fees – like other sources of revenue – are returned to our members. Ultimately, any reduction in interchange fees will be passed on to our member owners in the form of higher interest rates and lower yields on savings accounts and other products.

I urge you to support your local credit unions and oppose H.R. 5546. If you have any questions regarding this important issue and its effect on the credit union industry, please feel free to contact me.

Sincerely,

Denise S. Swan
President



EACH MEMBER ACCOUNT INSURED TO \$100,000 BY NATIONAL CREDIT UNION ADMINISTRATION

