



HOUSTON TEXAS FIRE FIGHTERS FEDERAL CREDIT UNION

4200 KOLB STREET
HOUSTON, TX 77007

TELEPHONE (713) 864-0959 • FAX (713) 293-6688

June 5, 2008

The Honorable Sheila Jackson Lee
U.S. House of Representatives
2435 Rayburn House Office Building
Washington, DC 20515

Dear Rep. Jackson Lee,

I am writing on behalf of the Houston Texas Fire Fighters Federal Credit Union to share my thoughts regarding H.R.5546, the *Credit Card Fair Fee Act*. Houston Texas Fire Fighters FCU serves 2170 fire fighters and their families 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. A cap on interchange fees could throw the system into disarray and would likely drive many smaller institutions from the market.

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.

While I understand your concerns regarding the system, 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.

If you have any questions regarding this important issue and its effect on the credit union industry, please feel free to contact me.

Sincerely,

Clinton C. Hartmann, CCUE
President/CEO.