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President and CEO

July 15, 2008

The Honorable John Conyers
Chairman
House Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Lamar Smith
Ranking Member
House Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Conyers and Ranking Member Smith:

On behalf of the 5,000 community bank members of the Independent Community Bankers of America, I write to express our strong opposition to H.R. 5546, the Credit Card Fair Fee Act. This legislation, which undermines our vibrant electronic payments system, would be very harmful to community banks and millions of their customers.

The current interchange system allows community banks to aggressively compete and offer card products and services, bundled with the type of long-term relationship-building capabilities unique to our business model. Today, over 80% of community banks offer credit cards, and 97% issue debit cards.

Should government fiat lead to artificially depressed interchange rates, whether through an unprecedented antitrust exemption or a ruling by a new federal bureaucracy, many community bankers will be forced to stop issuing cards to consumer and small business customers. This legislation strikes at the core of our local economies: No one benefits when community banks – the very financial institutions most committed to building communities – are squeezed out of the marketplace by large retailers bent on reaping more profits.

The unintended consequences of this one-sided measure would directly harm the millions of Americans who benefit from credit and debit cards, small businesses that want to shop around for the best terms and conditions, and the thousands of community banks that want to compete for their business. As such, we urge you to oppose the Credit Card Fair Fee Act.

Sincerely,

Camden Fine
President & CEO

CC: Members of House Judiciary Committee