



**COUNTY FEDERAL**  
SANTA CLARA COUNTY FEDERAL CREDIT UNION

Telephone (408) 282-0700  
Web Site www.sccfcu.org

June 9, 2008

The Honorable Zoe Lofgren  
U.S. House of Representatives  
102 Cannon House Office Building  
Washington, DC 20515

Dear Rep. Lofgren:

I am writing for your support on behalf of Santa Clara County Federal Credit Union to oppose H.R.5546, the *Credit Card Fair Fee Act*. Santa Clara County FCU serves 43,000 members in your District, consisting primarily of employees who work for Santa Clara County and the Cities and School Districts within the County.

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 institutions. While proponents present the bill as a measure intended to increase competition, ultimately it will most likely decrease competition at the expense of smaller organizations. 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 on loans and lower yields on savings accounts.

The electronic payments system has been one of the most important financial services innovations of the last century and has been embraced by consumers at an adoption rate that far exceeded earlier expectations. This is because consumers benefit from the convenience and because the current system is working effectively. Reducing revenue for financial institutions will stagnate further innovation and drive many smaller institutions out of the credit and debit card programs to the detriment of their customers.

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,

Michael J. Delmonico  
President/CEO (408) 282-0781