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**ICBA: GAO Report Shows Consumers Will Be Harmed If
Congress Passes Misguided Interchange Legislation**

Bill Would Mean Less Choice, Higher Costs for Consumers

Washington, D.C. (November 19, 2009)—The Independent Community Bankers of America (ICBA) today issued this statement following the release of the Government Accountability Office (GAO) report titled, “Rising Interchange Fees Have Increased Costs for Merchants, but Options for Reducing Fees Pose Challenges.”

“Americans are able to obtain valuable debit and credit card products through their local community bank thanks to an interchange system that provides equity, fairness, and competition for everyone—consumers, merchants, and card issuers. Interchange revenue allows common-sense community banks to compete on equal footing with the largest financial institutions by offering these services, bundled with the long-term relationship-building services unique to the community bank business model.

“The GAO report released today shows that consumers could be harmed if Congress acts to lower what merchants pay to accept debit and credit products. If this happens, all consumers will be at a severe and unnecessary disadvantage. As the GAO report notes, merchants receive myriad benefits when they accept debit and credit cards, including increased sales and reduced labor costs. But giant retailers are lobbying Congress to pay less than their fair share, while passing these costs on to their customers.

“The GAO report clearly shows that interchange legislation places the needs of giant retailers over the needs of consumers and Main Street community bank customers. ICBA urges members of Congress to protect the interests of their constituents, and to oppose harmful interchange legislation that will only lead to less choice and higher costs for America’s consumers.”

About ICBA

The Independent Community Bankers of America, the nation’s voice for community banks, represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. For more information, visit www.icba.org.

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