

This week, as you meet with OHI members, they will likely bring up the Durbin-Marshall credit card mandates and interchange. Here is a helpful guide to interpreting their talking points.



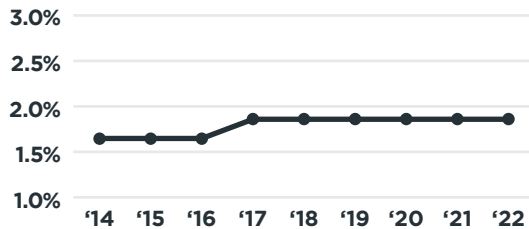
OHI will try to tell you interchange rates have increased and are hurting the economy.



Interchange has remained flat for nearly a decade. In fact, credit card purchases have driven approximately \$90 trillion in economic growth. New data from Oxford Economics estimates the proposed Durbin-Marshall mandates could create an economic slowdown for the U.S. costing \$227 billion in lost economic activity and approximately 156,000 lost jobs. The impact to cities and states reliant on tourism could be catastrophic.

Credit Cards:

Avg. Credit Card Interchange Rate:
0.1% change from 2014-2022



US Geographies with outsized Travel / Recreation-based economies

Delta in economic output over 4 years

Delta in economic output as % of Y1 GDP

Geography	Delta in economic output over 4 years	Delta in economic output as % of Y1 GDP
United States	\$227B	- 0.84%
Miami, FL	\$6.5B	0.52%
Las Vegas, NV	\$5.8B	1.24%
Orlando, FL	\$3.7B	0.69%
Nashville, TN	\$3.5B	0.64%
Hawaii	\$2.3B	0.70%
Cape Coral / Fort Myers, FL	\$1.17B	0.97%
Reno / Carson City, NV	\$728MM	0.65%
Myrtle Beach, SC	\$470MM	0.70%
Aspen / Vail / Breckenridge, CO	236MM	2.15%
Mt. Rushmore, SD	\$114M	1.49%



OHI will also lead you to believe interchange is one of their highest expenses.



The average small business pays ~2% to accept credit cards. For interchange to be among their highest expenses, that would mean wages, inventory, rent, taxes and utilities is less than 2% of their overall expenses.

Small Business Expenses

Percentage of Total Expenses



Depending on the business, **Other Costs** also include: Utilities, Franchise Fees, Setup Fees, Costs of Handling Cash Systems, Hardware, Software, Theft/Shrink, Scholarships/Employee Training, Equipment Rentals, and more.



OHI will say the Durbin-Marshall credit card mandates will help small businesses and consumers.



Study after study has reported consumers and small businesses would not benefit, but the largest corporate mega-stores stand to pocket billions in savings.

CRS Report:
Unclear Who Durbin-Marshall Benefits.



Not Consumers
"It is not clear whether retailers would pass interchange savings on to consumers."



Not Small Businesses
"It is unlikely a small business would be aware of a smaller network ... [and] might face higher incidences of fraud if payment security is weakened."



Just Corporate Mega-Stores
"Major retailers [could] create a payment network ... tighten links between commerce and banking, and potentially lead to conflicts of interest."

University of Miami Study:

Imposing Alternative Payment Networks on Credit Cards Will Likely Hurt Low Income Households and Small Merchants

The benefit to the top 5 largest retailers will be approximately \$1.2 billion.

Almost all of those savings will accrue to retailers with \$500 million or more in annual sales, with little going to small businesses

The typical SME would receive little savings from the legislation. The benefits accruing to the larger merchants would distort the competitive landscape and disadvantage smaller merchants.



OHI will even tell you the alternative networks Durbin-Marshall will force tens of millions of credit cards to run on are just as safe as the current networks.



In reality, a credit card has NEVER run on an alternative network. The Durbin- Marshall bill is a giant gamble, betting these untested alternative networks will have the same safeguards for the personal and financial data of American credit card users.