

Durbin-Marshall Mandates: A Bad Deal for Small Businesses, Consumers, Community Banks, & Credit Unions

Supporters of the untested Durbin-Marshall Credit Card Mandates claim the proposal will help small businesses and lower prices for consumers. The facts tell a very different story.

Study after study from respected economists, academics, independent think tanks, and nonpartisan government agencies shows these mandates do not lead to lower prices at the checkout. Instead, they disproportionately benefit the largest corporate mega-stores while harming Main Street small businesses, eliminating credit card rewards relied upon by families of all incomes, weakening the security and data protections consumers expect, and reducing economic activity in local communities by limiting access to credit and hurting tourism.

What the Data Shows About the Flawed, Untested, Harmful Durbin-Marshall Credit Card Mandates



[The Impact of the Durbin Amendment on Merchants: A Survey Study](#)

Federal Reserve Bank of Richmond
September 2015

Evidenced by the 2010 Durbin Amendment, **while debit card fee caps were intended to lower prices for consumers**, the Federal Reserve Bank of Richmond reported that **98% of retailers actually raised or kept prices the same.**



[How the Credit Card Competition Act of 2023 Could Affect Consumers, Merchants, and Banks](#)

Congressional Research Service (CRS)
December 2023

The Durbin-Marshall Mandates, peddled as a pro-consumer policy, will **only serve to line the pockets of the largest retailers and corporate megastores.**

- ▶ "It is not clear whether retailers would pass interchange savings on to consumers."
- ▶ "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."

Payment security will greatly suffer as fraud increases.

- ▶ "If cards are effectively required to be interoperable, networks may be less willing to invest as much in secure payment technologies, as part of the benefit would accrue to their competitors."
- ▶ Businesses "might face higher incidences of fraud if payment security is weakened."



[Economic Impact of Credit Card Competition Act on U.S. Travel and Tourism](#)

Oxford Economics, January 2025

The Durbin-Marshall Mandates would create an economic slowdown for the U.S., **costing \$227 billion in lost economic activity and approximately 156,000 lost jobs.**



[Imposing Alternative Payment Networks on Credit Cards Will Likely Hurt Low Income Households and Small Merchants](#)

University of Miami
February 2024

The Durbin-Marshall Mandates **offer no benefit to small businesses and consumers:**

- ▶ "Almost all of those savings will accrue to retailers with \$500 million or more in annual sales, with **little going to small businesses.**"
- ▶ "The largest U.S. retailers would effectively receive a transfer of approximately \$2.9 billion from issuers and cardholders impacted by the legislation. But small businesses would save significantly less, if anything, **putting small retailers at a further competitive disadvantage.**"

The Durbin-Marshall Mandates "would result in the reduction of [reward] programs, **costing small businesses over \$1 billion in lost rewards** as well as a **decline in access to credit.** This would further **diminish their ability to compete with larger businesses.**"



[Unintended Consequences of the Credit Card Competition Act](#)

Texas A&M University, January 2025

The Durbin-Marshall Mandates would **double fraud rates compared to 2021 levels and undermine decades of private investment in security features by credit card companies,** "eviscerating fraud tools currently used today."



[Payment Cards: Costs and Benefits for Federal Entities](#)

Government Accountability Office (GAO),
May 2025

The **acceptance of card payments** by federal entities:

- ▶ **Reduced administrative burdens.**
- ▶ **Increased efficiency and customer convenience.**
- ▶ **Mitigated theft risks** associated with cash.
- ▶ **Provided nearly \$500 million in rebates.**
- ▶ **Allowed immediate verification of transactions** instead of waiting for checks to clear or cash to be deposited.



[Why the Credit Card Competition Act \(CCCA\) and Similar State Bills Will Hurt Small Financial Institutions](#)

University of Miami, May 2025

The Durbin-Marshall Credit Card Mandates would:

- ▶ "**Significantly reduce revenue for community banks and credit unions** and, concomitantly, **reduce access to credit in smaller markets across the United States, disproportionately affecting low-income households.**"
- ▶ "**Give the largest merchants significantly more bargaining power** when negotiating their interchange fees—**at the expense of community banks**—distorting the market."



[The Unanticipated Costs and Consequences of Federal Reserve Regulation of Debit Card Interchange Fees](#)

Progressive Policy Institute (PPI)
December 2025

The 2010 Durbin Amendment's cap on debit card fees led to:

- ▶ **A sharp decline in the availability of free checking accounts.**
- ▶ "**Unanticipated increases in bank fees and charges,**" which create **new barriers for lower-income households,** undermining financial access and equity.