

# Why Congress Should Oppose the Durbin-Marshall Credit Card Bill

## The Credit Card Facts

Number of Credit Cards  
in America:



**827  
Million**

Number of Americans Who Hold at  
Least One Credit Card:



**247  
Million**

Cost to Reissue Credit Cards:



**Up to  
\$5 Billion**

Actions of Merchants Following  
Debit Card Mandates:

**98% of Merchants  
Raised Prices or  
Kept Them the Same**



Amount Retailers Retained  
After Debit Card Mandates:



**More than  
\$186 Billion**

## Summary

Credit cards are vital to our nation's continued economic growth. However, legislation repeatedly proposed by U.S. Senator Dick Durbin (D-IL) and Senator Roger Marshall (R-KS) aims to introduce harmful credit card routing mandates that threaten to disrupt the electronic payments ecosystem. These proposed changes would disproportionately harm small businesses, community financial institutions, and consumers. They would eliminate critical funding for cybersecurity protections, popular credit cards rewards programs, and reduce access to credit, undermining the benefits currently provided by the electronic payments system.

## The Value of Interchange

Interchange is an essential part of the electronic payments' ecosystem, ensuring its seamless functionality. This ~2% service cost, paid by businesses to accept electronic payments, supports the broader ecosystem by funding essential services. Payment networks and card issuing banks rely on interchange to reinvest in reward programs, card security, technological innovation, and other advancements. This critical system delivers significant benefits to both consumers and businesses, fostering convenience, security, and economic growth.

## Electronic Payments Quick Facts

- Interchange has remained virtually flat at ~2% for nearly a decade.
- Interchange protects consumers against fraud, guarantees businesses receive timely payments, funds reward programs like cashback and helps banks of all sizes provide services to customers.
- 80% of consumers rated transaction safety and security as "highly important" when choosing a credit card.
- Credit and debit cards report the lowest fraud rates among payment types. If fraud does occur, 96% of cases are blocked or refunded.
- Credit cards offer rewards, flexibility, and top-notch fraud protection. As security measures advance, credit cards remain the most trusted and convenient choice for millions, making transactions both safe and rewarding.

## Congress Should Protect Our Nation's Safe, Secure, Convenient Payment System

The Durbin-Marshall bill allows corporate mega-stores – like Walmart, Target & Home Depot – to process credit card transactions based solely on what is cheapest for them, adding billions to their bottom lines, while consumers, community banks, credit unions, and small businesses are left to pay the price. The consequential threats of the new mandates in the bill could include:

The average U.S. credit interchange rate has only risen 0.1% from 2014-2023:

Year	Debit Interchange	Credit Interchange
	U.S.	U.S.
2014	0.79%	1.70%
2015	0.80%	1.70%
2016	0.78%	1.70%
2017	0.79%	1.80%
2018	0.78%	1.80%
2019	0.78%	1.80%
2020	0.75%	1.80%
2021	0.74%	1.80%
2022	0.73%	1.80%
2023	-	1.80%

Source: Verisk (Credit) and Federal Reserve (Debit)

- **Economic Slowdown:** Global economics forecaster Oxford Economics Research found the mandates proposed in the Durbin-Marshall Credit Card Bill previously introduced in Congress would create an economic slowdown for the U.S. costing \$227 billion in lost economic activity and 156,000 lost jobs. Cities and states heavily reliant on tourism could be most impacted, causing top U.S. destination markets to suffer substantial consumer spending and job losses.
- **Increased Fraud Risks:** According to a study from Texas A&M University, enactment of the bill could double the amount of fraud to \$20 billion over the next decade. By allowing payments to run on untested networks, the bill could weaken fraud protection systems, increasing costs for businesses and consumers.
- **Harms Small Businesses:** Smaller businesses could see increased costs and fewer benefits from secure, convenient card processing. The University of Miami found businesses with less than \$500 million in annual sales would be put at a “further competitive disadvantage” should the bill become law.
- **Opposed by Community Financial Institutions:** Credit unions and community banks in all 50 states have come out in opposition to this bill.
- **Threat to Consumer & Small Business Rewards:** This bill could reduce or eliminate valuable credit card rewards programs, like the cashback programs consumers use to help fight inflation & small businesses rely on to reinvest in their business or employees’ benefits.

Supporters of the bill also often point to European rates, where the central bank has capped interchange rates. However, the facts are that European consumers pay more, receive less in rewards and have fewer options.

- **Less Access:** More than 80% of U.S. adults use and have access to credit through credit cards. In continental Europe, those figures hover below 50% and are as low as 18% in parts of Eastern Europe. And most of those credit products in Europe are merely “deferred debit” charge cards.
- **Fewer Options:** Following new government mandates, the number of credit card options decreased by 14% between 2014 and 2018.
- **Higher Fees:** The average annual fee on consumer credit cards went up 13% after government caps were imposed. Cardholders pay fees 17% higher in Italy, 76% higher in Germany and 105% higher in France than U.S. cardholders. In the U.S., fees represent just 5% of revenue, while that percentage is three to six times higher in the EU.

### The Failures of the Original Durbin Amendment

The original Durbin Amendment, passed in 2010, has failed to deliver on its promises to consumers, small businesses, and credit unions. Megastores and corporate-owned convenience stores promised to pass savings from debit card interchange caps on to consumers — but those savings never materialized. A study found that more than three-fourths of retailers did not lower their prices post-Durbin, with many even raising their prices. Instead, these large retailers pocketed more than \$186 billion in profit since 2011. Additionally, Federal Reserve data reveals that interchange revenue for community banks and credit unions significantly declined.