

January 26, 2026

Dear Members of Congress:

We are writing on behalf of 53 associations representing banks of every size in strong opposition to the Durbin-Marshall Credit Card Mandate (the *Credit Card Competition Act* or CCCA).¹ This legislation, which expands on the misguided routing requirements imposed by the Durbin amendment² to credit cards issued in the U.S., would harm consumers, small businesses, and banks alike by reducing card choice, increasing fraud risks, reducing rewards, increasing the cost of allocating credit to borrowers, and creating economic challenges for smaller financial institutions.

With nearly 15 years of hindsight, it is clear that the original Durbin amendment has harmed consumers. A 2022 report from the Government Accountability Office found that if the Durbin amendment “had not been implemented, 65 percent of noninterest checking accounts offered by covered banks would have been free.”³ Expanding this failed policy to impose new regulations on credit card interchange fees will lead to similar consumer harm. This legislation would limit credit access and upend credit card rewards programs, which are funded through interchange fees, with the worst effects being felt by minority and lower-income consumers.⁴ The International Center for Law and Economics found that “77% of cardholders with a household income of less than \$50,000” have an active rewards card.⁵ Not only will consumers lose their valuable rewards programs, but the CCCA would negatively impact the U.S. economy as well.

Recent economic analysis from Oxford Economics Research, an independent advisory firm, found that the CCCA could cost the U.S. economy \$228 billion and 156,000 jobs by eliminating rewards programs supporting travel and tourism nationwide.⁶ Additionally, the Congressional Research Service released a report stating, “it is not clear whether retailers would pass interchange savings on to consumers” and who “might face higher incidences of fraud.”⁷ In fact, the Federal Reserve Bank of Richmond has observed that 98% of merchants raised prices or kept them the same post-implementation of the original Durbin amendment.⁸ Further, recent research released by the Progressive Policy Institute found “little” or “negligible” evidence of any consumer benefits from any net cost savings and that 99% of retailers did not pass along any

¹ The Credit Card Competition Act was introduced in the Senate as S. 3623 and the House of Representatives as H.R. 7035.

² The Durbin amendment was enacted as part of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (P.L. 111-203).

³ <https://www.gao.gov/assets/gao-22-104468.pdf>.

⁴ <https://mshale.com/2023/04/19/interchange-fee-regulation-step-financial-inclusion-black-community/>.

⁵ <https://laweconcenter.org/wp-content/uploads/2021/11/Reverse-Robin-Hood-1.pdf>.

⁶ <https://electronicpaymentscoalition.org/resources/study-economic-impact-of-credit-card-competition-act-on-u-s-travel-and-tourism/>.

⁷ <https://crsreports.congress.gov/product/pdf/IF/IF12548>.

⁸ https://www.richmondfed.org-/media/richmondfedorg/publications/research/economic_quarterly/2014/q3/pdf/wang.pdf.

savings.⁹ Strong evidence demonstrates that consumers would not see any benefits from a Durbin expansion and would actually be harmed should this legislation become law.

The CCCA will not increase competition in the credit card marketplace, but it will benefit corporate megastores at the expense of consumers, community financial institutions and smaller neighborhood retail merchants. It does so by reducing the number of credit card issuers competing for consumers' business, removing a consumer's choice of preferred card network, reducing the competitive differences among card products, limiting popular credit card rewards programs, and making it more difficult for banks to prevent fraud and protect transaction data. According to one paper from the University of Miami, small businesses would be put "at a further competitive disadvantage" to corporate megastores if the CCCA is enacted.¹⁰ The paper estimates that almost all the savings will accrue to retailers with \$500 million or more in annual sales, with little going to small businesses.¹¹

Despite the specious claims that smaller banks are "exempted" from CCCA, analysis of the impact of the original Durbin amendment shows that these exemptions are ineffective. According to Federal Reserve data, community banks suffered a 30% decrease in their interchange revenue after the Durbin amendment was adopted and "exempted" community banks will face the same situation again should credit card routing mandates become law as these new mandates will distort the market and decrease revenue used for lending in their respective communities.¹² It is abundantly clear that the CCCA benefits corporate megastores over consumers, small businesses, and community banks.

The CCCA will also enable a large increase in fraudulent card activity. According to a study from Texas A&M University, enactment of the CCCA could—based on 2021 card activity—double the amount of fraud to \$20 billion over the next decade.¹³ This would be particularly detrimental to small businesses. Some small business owners have highlighted the fact that security breaches would "make credit cards less secure to process."¹⁴ The CCCA would effectively reduce the amount of revenue that banks use to "invest in fraud prevention and other credit card security features" to protect small businesses and consumers across the country.¹⁵

For these reasons, we urge policymakers to oppose the CCCA because of its harmful effects on consumers, small businesses, and banks of all sizes.

Sincerely,

⁹ <https://www.progressivepolicy.org/the-unanticipated-costs-and-consequences-of-federal-reserve-regulation-of-debit-card-interchange-fees/>.

¹⁰ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4714752.

¹¹ *Id.*

¹² <https://electronicpaymentscoalition.org/resources/what-exemption-community-banks-credit-unions-lose-under-the-durbin-amendment/>.

¹³ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5004917.

¹⁴ <https://missouriindependent.com/2024/04/23/the-credit-card-competition-act-would-harm-missouris-small-businesses/>.

¹⁵ *Id.*

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Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association
California Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
DC Bankers Association
Delaware Bankers Association
Florida Bankers Association
Georgia Bankers Association
Hawaii Bankers Association
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North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
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