

May 21, 2025

The Honorable John Thune  
Majority Leader  
United States Senate  
511 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Majority Leader Thune and Minority Leader Schumer:

We are writing on behalf of 53 trade associations representing banks of every size in strong opposition to the Durbin-Marshall Credit Card Mandate being attached as an amendment to the GENIUS Act or any other legislative vehicle. This poison pill amendment, which expands on the misguided routing requirements imposed by the Durbin amendment<sup>1</sup> 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.”<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> Not only will consumers lose their valuable rewards programs, but CCCA would impact the U.S. economy as well.

Recent economic analysis from Oxford Economics Research, an independent advisory firm, found that the Durbin-Marshall bill could cost the U.S. economy \$228 billion and 156,000 jobs by eliminating rewards programs supporting travel and tourism nationwide.<sup>5</sup> Additionally, the Congressional Research Service released a report stating, “it is not clear whether retailers would pass interchange savings on to consumers” and consumers “might face higher incidences of fraud.”<sup>6</sup> In fact, the Federal Reserve Bank of Richmond has observed that 98% of merchants raised

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<sup>1</sup> The Durbin amendment was enacted as part of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (P.L. 111-203).

<sup>2</sup> <https://www.gao.gov/assets/gao-22-104468.pdf>.

<sup>3</sup> <https://mshale.com/2023/04/19/interchange-fee-regulation-step-financial-inclusion-black-community/>.

<sup>4</sup> <https://laweconcenter.org/wp-content/uploads/2021/11/Reverse-Robin-Hood-1.pdf>.

<sup>5</sup> <https://electronicpaymentscoalition.org/resources/study-economic-impact-of-credit-card-competition-act-on-u-s-travel-and-tourism/>.

<sup>6</sup> <https://crsreports.congress.gov/product/pdf/IF/IF12548>.

prices or kept them the same post-implementation of the original Durbin amendment.<sup>7</sup> 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 Durbin-Marshall bill 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 CCA is enacted.<sup>8</sup> 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.<sup>9</sup>

Despite the specious claims that smaller banks are "exempted" from the Durbin-Marshall bill, 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.<sup>10</sup> It is abundantly clear that the bill benefits corporate megastores over consumers, small businesses, and community banks.

The Durbin-Marshall bill will also lead to an increase in fraudulent card activity. According to a study from Texas A&M University, enactment of the Durbin-Marshall bill could—based on 2021 card activity—double the amount of fraud to \$20 billion over the next decade.<sup>11</sup> This would be particularly detrimental to consumers and small businesses. Some small business owners have highlighted the fact that security breaches would "make credit cards less secure to process," exposing consumers to more instances of fraud and data breaches.<sup>12</sup> The Durbin-Marshall bill would also 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.<sup>13</sup> Without investment in the sophisticated tools used to combat credit card fraud, payments become less secure for both consumers and small businesses.

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<sup>7</sup> [https://www.richmondfed.org/-/media/richmondfedorg/publications/research/economic\\_quarterly/2014/q3/pdf/wang.pdf](https://www.richmondfed.org/-/media/richmondfedorg/publications/research/economic_quarterly/2014/q3/pdf/wang.pdf).

<sup>8</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4714752](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4714752).

<sup>9</sup> *Id.*

<sup>10</sup> <https://electronicpaymentscoalition.org/resources/what-exemption-community-banks-credit-unions-lose-under-the-durbin-amendment/>.

<sup>11</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=5004917](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5004917).

<sup>12</sup> <https://missouriindependent.com/2024/04/23/the-credit-card-competition-act-would-harm-missouris-small-businesses/>.

<sup>13</sup> *Id.*

For these reasons, we urge policymakers to oppose any efforts to attach the Durbin-Marshall bill to the GENIUS Act because of its harmful effects on consumers, small businesses, and banks of all sizes.

Sincerely,

American Bankers Association  
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  
Idaho Bankers Association  
Illinois Bankers Association  
Indiana Bankers Association  
Iowa Bankers Association  
Kansas Bankers Association  
Kentucky Bankers Association  
Louisiana Bankers Association  
Maine Bankers Association  
Maryland Bankers Association  
Massachusetts Bankers Association  
Michigan Bankers Association  
Minnesota Bankers Association  
Mississippi Bankers Association

Missouri Bankers Association  
Montana Bankers Association  
Nebraska Bankers Association  
Nevada Bankers Association  
New Hampshire Bankers Association  
New Jersey Bankers Association  
New Mexico Bankers Association  
New York Bankers Association  
North Carolina Bankers Association  
North Dakota Bankers Association  
Ohio Bankers League  
Oklahoma Bankers Association  
Oregon Bankers Association  
Pennsylvania Bankers Association  
Puerto Rico Bankers Association  
Rhode Island Bankers Association  
South Carolina Bankers Association  
South Dakota Bankers Association  
Tennessee Bankers Association  
Texas Bankers Association  
Utah Bankers Association  
Vermont Bankers Association  
Virginia Bankers Association  
Washington Bankers Association  
West Virginia Bankers Association  
Wisconsin Bankers Association  
Wyoming Bankers Association

Cc: Members of the United States Senate