

June 24, 2016

The Honorable Randy Neugebauer  
Chairman  
Subcommittee on Financial Institutions  
and Consumer Credit  
Washington, D.C. 20515

Dear Chairman Neugebauer:

The undersigned state bankers associations, representing banks of all sizes from across the country, write to express our support for H.R. 5465, a bill that would repeal the so-called “Durbin Amendment” and eliminate the government-imposed price controls on debit card interchange, which has greatly harmed consumers and the banks that serve them.

This legislation would repeal the middle-of-the-night action instigated by the retail industry during the debate on the Dodd-Frank Act that placed the Federal government into a pricing dispute between the retail and banking industries. In short, the amendment capped debit card rates under the false promises that it would somehow benefit consumers through lower prices at the cash register and that community banks and their customers would not be harmed. In reality, the amendment has only rewarded big-box stores with higher profits, while resulting in higher costs to smaller merchants, fewer resources available for banks – including community banks – to serve their communities, and a reduction in low-cost banking services for those most in need.

Congress deserves to know that an industry will keep the promises they make during the lawmaking process, but retailers cannot produce evidence that they have returned the proceeds of the Durbin Amendment to consumers in the form of lower prices. Fewer services and higher costs for consumers is not an acceptable policy outcome for a law that promised tangible benefits for American debit card customers.

The Durbin Amendment had nothing to do with the financial crisis or the government’s response to it. It did, however, represent an ill-conceived government intervention in the marketplace, and has resulted in the very type of unintended negative consequences that policymakers should seek to avoid. Showing vanishingly small benefits to consumers and small businesses, the cost to millions of Americans imposed by the Durbin Amendment clearly outweighs the rewards provided by this law to a select few.

We thank you for your leadership and we urge members to support H.R. 5465 and the efforts of Committee Chairman Hensarling to repeal this harmful provision.

Respectfully,

Alabama Bankers Association  
Alaska Bankers Association  
Arizona Bankers Association  
Arkansas Bankers Association

California Bankers Association  
Colorado Bankers Association  
Connecticut Bankers Association  
Delaware Bankers Association  
Florida Bankers Association  
Georgia Bankers Association  
Hawaii Bankers Association  
Idaho Bankers Association  
Illinois Bankers Association  
Illinois League of Financial Institutions  
Indiana 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 House Financial Services Committee