

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 amendment¹ 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.”² 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.³ 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.⁴ 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.⁵ 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.”⁶ In fact, the Federal Reserve Bank of Richmond has observed that 98% of merchants raised

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

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

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

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

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

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

prices or kept them the same post-implementation of the original Durbin amendment.⁷ 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 CCCA is enacted.⁸ 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.⁹

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.¹⁰ 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.¹¹ 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.¹² 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.¹³ Without investment in the sophisticated tools used to combat credit card fraud, payments become less secure for both consumers and small businesses.

⁷ https://www.richmondfed.org/-/media/richmondfedorg/publications/research/economic_quarterly/2014/q3/pdf/wang.pdf.

⁸ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4714752.

⁹ *Id.*

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

¹¹ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5004917.

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

¹³ *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