January 16, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Re: Our Nation's Credit Unions Oppose the Credit Card Competition Act

Dear Leader Thune and Leader Schumer:

On behalf of America's Credit Unions, the American Association of Credit Union Leagues, and the state credit union leagues and associations listed below, we are writing to express our strong opposition to S. 3623, the Credit Card Competition Act. As organizations that represent our nation's nearly 4,500 credit unions and over 145 million credit union consumer members, we urge you to reject this effort to enrich large retailers at the expense of our nation's American families and small businesses.

Credit unions are the original consumer protectors. They strive to serve their consumer members and improve their financial well-being with affordability at the forefront. Unfortunately, studies show that mandates, like those in the Credit Card Competition Act, do not lead to lower prices at checkout, and previous asset size carveouts show that this will affect credit unions, and their consumer members, at every size. At a time when policies and solutions are needed to bolster our nation's financial resiliency and increase affordability, studies show that these mandates would slow down the U.S. economy, costing $227 billion in lost economic activity and approximately 156,000 lost jobs.[1]

The Credit Card Competition Act would extend the harmful debit interchange routing requirements from the Dodd-Frank Act's 2010 Durbin Amendment to also cover credit cards. This would function as a backdoor price control on credit card transactions and would affect financial institutions of all sizes, regardless of the proposed exemption, and could greatly increase fraud costs as merchants select cheaper but less secure networks to process transactions.

As experience with the 2010 Durbin Amendment on debit has shown, government intervention in the interchange market affects all market participants, including smaller institutions below what is meant to be an exemption threshold. Those smaller institutions, including our credit union members, have seen a precipitous erosion of their per-transaction debit interchange revenue as a result of the 2010 Durbin Amendment. Taking similar steps on credit card interchange would cause even more harm, not only to the institutions, but to the members they serve. This legislation is nothing more than a

[1] Electronic Payments Coalition, "Study: Economic Impact of Credit Card Competition Act on U.S. Travel and Tourism" (Jan. 8, 2025), https://electronicpaymentscoalition.org/resources/study-economic-impact-of-credit-card-competition-act-on-u-s-travel-and-tourism/.

"big box bailout" designed to help the country's largest retailers at the expense of consumers and community financial institutions.

First, data privacy and security would suffer. The incidence of fraudulent debit transactions has more than doubled since the 2010 Durbin Amendment was enacted and allowed retailers to process transactions over less secure networks.[2] Consumers who had chosen a debit card based on the network's reputation for payment security had their choice invalidated, and the cost of covering the increasing volume of fraudulent transactions continues to fall on financial institutions.

Extending similar requirements to credit cards would also allow retailers to choose alternative payment networks that do not provide consumers with the security and rewards they expect based on *their* choice of credit card. A recent survey found that over one-third of consumers report receiving a new credit card due to fraud or a data breach. Interchange helps pay for those replacement cards.

Credit unions cover the cost for data security, even when breaches take place elsewhere, including retailers. Fighting increased fraud costs created by this mandate, such as replacing compromised cards, would mean less funds available for other programs designed to help credit union members, and your constituents, across the entire country.

Second, access to credit will suffer. Interchange helps credit unions provide access to credit and low-cost banking products, especially in underserved, rural, and low-income communities. Credit cards essentially provide consumers with a loan at the point of sale to make a purchase they may not otherwise be able to make. Without interchange, many institutions could be forced to tighten credit standards or stop issuing credit cards altogether. Consumers with less-than-perfect credit or no credit have greater access to secure financial services due to, in large part, the funding and benefits provided by the current interchange system.

Additionally, consumers will lose. Consumers have already directly felt negative impacts from the original 2010 Durbin Amendment. A 2015 Federal Reserve Bank of Richmond study found that retailers did not pass along savings from enacting debit interchange reforms to consumers in the form of lower prices.[3] Many retailers passed along profits to shareholders. Furthermore, the 2010 Durbin Amendment also led to a significant reduction in the number of debit card rewards programs, with 30 percent of cardholders losing debit rewards two years after enactment.[4] The Government Accountability Office

---

[2] Federal Reserve, "2019 Interchange Fee Revenue, Covered Issuer Costs, and Covered Issuer and Merchant Fraud Losses Related to Debit Card Transactions" (May 2021), https://www.federalreserve.gov/paymentsystems/files/debitfees_costs_2019.pdf.

[3] Federal Reserve Bank of Richmond, "Did the Durbin Amendment Reduce Merchant Costs? Evidence from Survey Results" (Dec. 2015), https://www.richmondfed.org//media/richmondfedorg/publications/research/economic_brief/2015/pdf/eb_15-12.pdf.

[4] Electronic Payments Coalition, "Out of Balance: How the Durbin Amendment has Failed to Meet Its Promise" (May 2022), https://2oynji41vtot1y4f8s1gnb8a-wpengine.netdna-ssl.com/wp-content/uploads/2022/05/EPC.DurbinStudiesPaper.pdf.

(GAO) has also found that the availability of free checking accounts suffered a major decline as an immediate result of the implementation of the 2010 Durbin Amendment.[5] Extending the harmful debit interchange routing requirements from the 2010 Durbin Amendment to credit cards will also lead to a loss of credit for a number of individuals.

Credit unions serve Main Street, not Wall Street, reinvesting earnings back into local communities, small businesses, military families, and everyday consumers rather than shareholders. The Credit Card Competition Act doubles down on consumer harm and does nothing for affordability. We urge you to reject this harmful legislation.

Unlike the nation's largest banks, for nearly a century credit unions continue to work every single day to provide access to affordable financial services options for your constituents, from lower credit card interest rates, to lower interest rates for mortgage and auto loans. And they happily do it because they understand the profound human, societal, and economic impact when they help those in our country who need it most. Our organizations stand ready to work with you to help consumers and address our nation's affordability concerns. However, the Credit Card Competition Act is not the answer.

Sincerely,

America's Credit Unions
American Association of Credit Union Leagues
Alabama Credit Union Association
Alaska Credit Union League
Arizona's Credit Unions
Arkansas Credit Union Association
California's Credit Unions
Carolinas Credit Union League (NC and SC)
Colorado's Credit Unions
Credit Union Association of New Mexico
Connecticut's Credit Unions
CrossState Credit Union Association (NJ and PA)
Dakota Credit Union Association (ND and SD)
Delaware Credit Unions
Florida Credit Union Association
Georgia Credit Union Association
Hawaii Credit Union League
Idaho's Credit Unions
Illinois Credit Union League
Indiana Credit Union League
Iowa Credit Union League
Kansas Credit Union Association

[5] U.S. Government Accountability Office, "Banking Services: Regulators Have Taken Actions to Increase Access, but Measurement of Actions' Effectiveness Could Be Improved" (Feb. 14, 2022), GAO-22-104468, https://www.gao.gov/products/gao-22-104468.

Kentucky's Credit Unions
Louisiana Credit Union Association
Maine Credit Union League
MD|DC Credit Union Association
Massachusetts Credit Unions
Michigan Credit Union League
Minnesota Credit Union Network
Mississippi Credit Union Association
Missouri Credit Union Association
Montana's Credit Unions
Nebraska Credit Union League
New Hampshire Credit Unions
Nevada's Credit Unions
New York Credit Union Association
Ohio Credit Union League
Oklahoma Credit Union Association
Oregon's Credit Unions
Rhode Island Credit Unions
Tennessee Credit Union League
Texas Credit Union Association
Utah's Credit Unions
Association of Vermont Credit Unions
Virginia Credit Union Association
Washington's Credit Unions
West Virginia Credit Union League
The Wisconsin Credit Union League
Wyoming's Credit Unions

cc: Members of the United States Senate

