



To: EFTA Members

From: Kurt Helwig, President & CEO

Date: April 28, 2010

Re: Legislative Alert Regarding Interchange

Earlier today I attended the House Judiciary Committee's hearing on H.R. 2695, The Credit Card Fair Fee Act. Among other things, H.R. 2695 would provide limited antitrust immunity to payment networks and merchants negotiating interchange rates.

The Judiciary Committee has considered similar interchange legislation in previous years and even reported a bill to the full House of Representatives in the last Congress. EFTA anticipated this hearing when House Financial Services Chairman Barney Frank (D-MA) declared in March that his committee would not consider interchange in 2010.

Three of the four witnesses providing testimony (see list [here](#)) supported the bill with only NAFCU opposed. The question and answer session featured a lively debate as to whether any savings to merchants resulting from interchange legislation would be passed on to consumers. Several witnesses and Committee members used the hearing to voice their support for the creation of a Consumer Financial Protection Agency (CFPA) as envisioned in the Financial Regulation Reform bill currently before the Senate. It was suggested by some that interchange may be an issue best decided by the CFPA.

Some Democratic Committee members joined Republicans in expressing skepticism if not outright opposition to the bill as currently drafted. Congressman William Delahunt (D-MA) requested a mark-up and a vote on H.R. 2695. It is unclear if or when such a mark-up will be scheduled.

As always, EFTA will keep you apprised of any developments.