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**Statement from Bill Himpler,
Executive Vice President, Federal Government Affairs
American Financial Services Association (AFSA)
Regarding the Credit Card Fair Fee Act
May 15, 2008**

AFSA opposes this bill. We are troubled by the bill's provision calling for a government-appointed panel to set interchange rates if the card networks and merchants are unable to reach a voluntary agreement. This would have the effect of imposing a government price cap on fees that should be dictated by the marketplace.

We believe interchange fees are a fair means to compensate card issuers for their role in the electronic systems that allow consumers to pay for goods and services. The payment card system serves consumers well and creates efficiencies for businesses and government organizations – including the U.S. government, according to a report released today from the U.S. Government Accountability Office (GAO).

As legislators review this bill, we ask them to think carefully about the dangerous precedent set by creating a federal government entity that could impose price controls.

Based in Washington, D.C., AFSA (www.afsaonline.org) is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. Its 350 members include consumer and commercial finance companies, auto finance/leasing companies, mortgage lenders, credit card issuers, industrial banks and industry suppliers. AFSA is a member of the Electronic Payments Coalition (www.ElectronicPaymentsCoalition.com), which is dedicated to protecting consumer value, choice and competition in electronic payment systems.

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