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### **CREDIT UNIONS WILL OPPOSE FINANCIAL REGULATORY REFORM BILL IF INTERCHANGE AMENDMENTS ARE INCLUDED**

#### **‘Carve out’ no help to consumers; ‘Key vote’ for credit unions**

**WASHINGTON**—Regarding interchange amendments to S.3217, offered by Sen. Richard Durbin (D-IL), Credit Union National Association (CUNA) President and CEO Dan Mica, issued this statement:

If the Senate adopts amendments offered by Sen. Durbin on interchange, credit unions will have no choice but to vigorously oppose the financial regulatory reform bill in its current form.

Further: CUNA has designated less than a dozen key votes on legislation in the last 12 years. We will be key voting all interchange amendments to the Financial Reform bill currently being debated in the Senate. While we appreciate Sen. Durbin’s efforts to exempt credit unions from the harmful impact of his amendments, the purported ‘carve out,’ no matter how large, would simply not help credit union members or consumers.

For issuers, the current interchange system makes it possible for credit unions to serve their members because the card networks apply the same interchange rates to small issuers that they do to large issuers. This means that on an identical \$10 transaction, a bank would receive the same interchange as a credit union.

Sen. Durbin’s amendments require the government to regulate debit interchange for the large issuers. That means unregulated credit union cards become the most expensive cards for merchants to accept. Since the other provisions in the bill remove consumer protections, large merchants are encouraged to accept only the cheaper cards and either refuse to accept the more expensive credit union-issued cards or set enormously high minimum payment amounts for use of a credit union-issued card.

Also, nothing would stop card networks from simply applying the artificially lowered interchange rates across the board to *all* issuers, regardless of size. Both of these likely scenarios will force many credit unions to reevaluate their ability to offer debit and credit cards. This is a lose-lose for credit unions and their members and is why the Senate must oppose these amendments.