

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Description:

Comment ID: 156795

From: Caryn Cowin

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Subject: 1818(AG67) Debit Card Interchange Fees and Routing

Comments:

NONCONFIDENTIAL // EXTERNAL
Debit Card Transaction Fees Official Comment

Thank you for taking the cost of debit card fees seriously and developing a reform to rein in excessive charges. These fees appear designed more to create additional profits for big banks than to cover the cost of processing actual transactions.

Currently, merchants pay large card issuers 21 cents plus 0.05% of the transaction amount for every purchase made with a debit card. That level was set by the Fed in 2011 and has never changed despite the banking industry's own reporting showing the fee paid by merchants and consumers is much greater than the cost of processing by the bank.

The impact isn't small either. In 2022 alone, merchants paid at least \$16.6 billion in these processing fees. Meanwhile the average American family spends hundreds of dollars a year on these hidden fees through higher costs passed on to consumers as a result.

I support the Federal Reserve's plan and ask that this proposal be implemented immediately.

Sincerely,
Caryn Cowin