

Patrick T. Harker
President of the Federal Reserve Bank of Philadelphia
Ten Independence Mall
Philadelphia, PA 19106

May 2, 2024

Dear President Harker,

The Pittsburgh Community Reinvestment Group (PCRG) has been serving the people of the Allegheny region as a community development corporation since 1988. We lead a regional coalition of sixty community-based organizations (CBOs) throughout Western Pennsylvania advocating “for sound public policy and government practices to revitalize low- to moderate-income communities.” One of the key problems we are trying to address is the growing unbanked and underbanked population in Allegheny County, which totals over [360,000 people](#). Many of these individuals and families lack access to traditional banking services like debit and checking accounts. Unfortunately, a recent proposal from the Federal Reserve could seriously undermine our efforts.

When the Federal Reserve first capped debit card interchange fees in 2011, it increased the unbanked population. In fact, a [study](#) from George Mason University found that the interchange limit led to the end of debit card reward programs, reduced the availability of free checking, and increased minimum balance requirements. These changes “contributed to an increase in the unbanked population of approximately 1 million people, mainly among low-income families,” according to the study.

Now, the Fed wants to lower the cap even further than it did in 2011. If the proposal moves forward, it will only exacerbate existing problems and create additional hardships for individuals, small businesses, and smaller financial institutions in our communities. Specifically, this could threaten efforts by the Bank On initiative, a national program funded by Cities for Financial Empowerment with chapters in all fifty states. In Pennsylvania, [Bank On Allegheny County](#) works with local financial institutions, non-profits, and government agencies to “provide services and resources such as financial and entrepreneurial education, credit counseling, savings programs, banking series, credit repair, employment assistance, youth engagement and other financial empowerment programming.” Interchange fees help fund these low-cost services provided by Bank On, so these programs will be directly threatened if interchange revenue decreases any further.

The PCRG is committed to driving positive change in our community. To continue in this effort, we must do what we can to continue offering Bank On services in Allegheny County. We strongly encourage the Federal Reserve to reconsider this proposal. If you have any questions, please do not hesitate in contacting me by email crosselot@pcrg.org, or by telephone at 412-391-6732.

Respectfully,



Chris Rosselot, Director of Policy
Pittsburgh Community Reinvestment Group



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