



May 9, 2024

The Honorable Jerome Powell
Chair, Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

RE: Regulation II: Debit Card Interchange Fees and Routing [Docket No. R-1818]

Dear Chairman Powell:

I write on behalf of the Hispanic Leadership Fund (HLF), a non-partisan advocacy organization dedicated to strengthening working families by advancing common-sense public policy solutions that foster liberty, opportunity, and prosperity.

There is little question that merchants and consumers are on the hook for the fees associated with card transactions. HLF has argued in the past that card users and small businesses are most affected by interchange fees—more than large retailers and chains that are able to absorb these costs more easily than family-run businesses, startups, and entrepreneurs. For these reasons, I am appreciative that the Federal Reserve has been examining ways to lessen the impact of these fees on consumers.

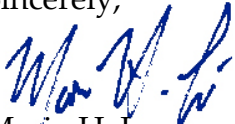
It is particularly important that our financial system works better for consumers who face higher hurdles to accessing basic products and services. This includes members of underserved communities like Hispanic, Black, and low- and middle-income users.

BankOn is one critical tool that opens doors and creates opportunities for these consumers. BankOn works directly with financial institutions to eliminate fees, penalties, and other barriers that could otherwise prevent economically disadvantaged consumers from accessing essential financial management tools like checking accounts. According to the latest data published by the Federal Reserve Bank of St. Louis, there are 8 million accounts open and active, with 145 million debit transactions processed monthly for those account holders.

BankOn has been remarkably successful in connecting low- and middle-income Americans with core banking services. It is important to note that this program is funded through interchange fees collected from debit card transactions. Proposed changes from the Federal Reserve to the existing fee cap could impact BankOn and possibly affect its success.

Before moving forward with changes to the interchange fee cap, we urge the Federal Reserve to fully examine any potential harm the proposal would create for BankOn and the millions of consumers who benefit from the access it offers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mario H. Lopez".

Mario H. Lopez

President