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**Michael J. Coffey Jr.**  
STATE REPRESENTATIVE • 95<sup>th</sup> DISTRICT

March 13, 2024

President Austan Goolsbee  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60604

Dear President Goolsbee,

My family has been operating Saputo's Restaurant for over 1948 serving the Springfield and surrounding communities. We have employed hundreds of people over those years. I am happy to say through the success of our restaurant we were able to open a second location named Papa Frank's. Between both restaurants, my family employs over 60 people in the Springfield area and swipe fees are a major fee for our business.

I write to urge you to reach out to the Federal Reserve Board of Governors and particularly Governor Michael Barr, Vice Chair for Supervision to let them know that businesses like mine believe the proposed rule to revise the debit card regulation cycle is of the utmost importance. This change to this rule long overdue.


As an Illinois State Representative, I appreciate the Board's action to reduce the debit regulated rate and establish every other year updates, the proposed cap and methodologies used to set automatic updates do not fully reflect a "reasonable and proportional" level which has been demonstrated by the Federal Reserve's own research and data.

As a business who accepts debit transactions, that account for hundreds of thousand of dollars of our business, debit cards are a valuable option for many of my customers, I ask that you take a critical look at the following aspects of the current situation in regards to the newly proposed rule:

1. Revise the debit card regulated rate and establish a 2-year rate adjustment cycle to ensure a reasonable and proportional rate in relation to costs incurred by card issuers. This would include a base component of the transaction, loss fee, and a fraud prevention adjustment.
2. Review the discrepancy between the merchants proposed rate of 14.4 cents versus the Federal Reserve's data showing that a bank's cost for a debit transaction is only 3.9 cents.
3. Recognize that a true "reasonable and proportional" rate as, required by the statute, should be considerably lower than the overall rate of 17.7 cent per transaction as proposed in the rulemaking.

As a business owner I welcome and applaud the Board's action to review this imbalance in the current system. Banks and card issuers have been arbitrarily raising the transaction fee for years unchecked, with no thought as to how it would affect business owners and consumers in thousands of communities large and small. Thank you again for your attention to this proposed rule that is critically important to communities and businesses across Illinois.

Sincerely,



Mike Coffey  
State Representative  
95<sup>th</sup> District