



May 12, 2024

Ms. Ann E. Misback  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

**RE: Docket No. R-1818, RIN 7100-AG67**

Ms. Misback:

Lowe's Companies, Inc. ("Lowe's") appreciates the opportunity to comment on the proposed rule regarding debit card interchange fees and routing (Docket No. R-1818, RIN 7100-AG67). We provide comments from the perspective of a major nationwide home improvement retailer that serves approximately 16 million customer transactions per week. Based in Mooresville, North Carolina, Lowe's operates over 1,700 home improvement stores and employs approximately 300,000 associates in the United States. Lowe's also belongs to the Retail Industry Leaders Association (RILA) and the National Retail Federation (NRF), which represent the interests of the retail industry.

In 2010, Congress passed the Durbin Amendment as part of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* to address the concern that the fees issuing banks charged merchants for debit transactions were excessive and resulted in higher prices for consumers. Congress therefore mandated that debit interchange fees be "reasonable and proportional to the cost incurred by the issuer with respect to the transaction." The amendment also gave the Federal Reserve the authority to regulate interchange fees and routing, and to adjust the fee cap periodically based on data from issuers.

We appreciate the Federal Reserve's efforts, through this rulemaking, to lower the interchange fee cap. Importantly, the proposed rule would link the interchange fee cap to the biennial survey of issuers' costs and update the cap every other year accordingly. This is imperative to ensure that the fee cap remains reasonable and proportional to the issuers' transaction-related costs. These costs typically include processing costs, fraud losses, and network fees. Over the years, technological advancements have significantly reduced these costs, making the current interchange fees disproportionately high.

Lowe's supports the Federal Reserve's direction in this proposed rule. We commend the Board for updating the standards for assessing the reasonableness and proportionality of interchange fees based on the latest data and for linking the interchange fee cap to the biennial survey of large debit card issuers. This is a necessary and timely adjustment, as the current standards were established in 2011, based on the data from 2009, and do not reflect the significant changes and reductions in the costs of debit card transactions that have occurred since then.

In conclusion, we urge the Board to advance the proposed rule, incorporate relevant feedback from retail community stakeholders, and continue to monitor and review the debit card interchange fees and routing practices in the future. We believe the proposed rule would promote the public interest and the safety and soundness of the payment system, as mandated by the Dodd-Frank Act.

Thank you for your consideration of our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Jana M. Barresi".

Jana M. Barresi  
Head of Washington, D.C. Office  
Lowe's Companies, Inc.