

**BLAINE LUETKEMEYER**

MEMBER OF CONGRESS  
3RD DISTRICT, MISSOURI

[www.luetkemeyer.house.gov](http://www.luetkemeyer.house.gov)  
[www.facebook.com/BlaineLuetkemeyer](https://www.facebook.com/BlaineLuetkemeyer)  
[www.twitter.com/RepBlaine](https://www.twitter.com/RepBlaine)  
[www.instagram.com/RepBlaine](https://www.instagram.com/RepBlaine)

**Congress of the United States**  
**House of Representatives**

Washington, DC 20515

May 15, 2024

COMMITTEE ON  
FINANCIAL SERVICES  
NATIONAL SECURITY, ILLICIT  
FINANCE, AND INTERNATIONAL  
FINANCIAL INSTITUTIONS  
CHAIRMAN

FINANCIAL INSTITUTIONS AND  
MONETARY POLICY

HOUSING AND INSURANCE

COMMITTEE ON  
SMALL BUSINESS  
VICE CHAIRMAN

ECONOMIC GROWTH, TAX, AND  
CAPITAL ACCESS

RURAL DEVELOPMENT, ENERGY,  
AND SUPPLY CHAIN

SELECT COMMITTEE  
ON THE STRATEGIC  
COMPETITION BETWEEN  
THE U.S. AND THE  
CHINESE COMMUNIST  
PARTY

The Honorable Ann E. Misback  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Dear Secretary Misback,

I am writing to express my grave concerns regarding the Board's proposal to update the debit interchange fee cap under Regulation II. This proposal, I believe, poses a threat to the economic viability of local financial institutions, and will negatively impact low-and moderate-income Americans ability to access low-cost banking products and services.

The proposed revision to lower the transaction cap from 21 cents (plus 0.05% of the transaction amount) to just 14.4 cents (plus 0.04% of the transaction amount) is alarming. This change represents a significant threat not only to the financial viability of our banks and credit unions—some 34 percent of whom would be denied cost recovery under this proposal—but also to the broader economic well-being of low-and-moderate income folks across the country.

It is clear from historical evidence that the implementation of the Durbin Amendment under the Dodd-Frank Act has not achieved its intended benefits. Instead, it has disproportionately harmed small community banks and credit unions. The reductions in fee income forced many institutions to curtail critical banking services, such as free checking accounts, that are highly valued by low and moderate-income Americans, and lead to greater consolidation of the industry.

Moreover, the previous cap enacted in 2011 prompted a notable increase in the unbanked and underbanked populations as banks were compelled to raise minimum account balances and reduce services. By considering a cap even lower than that previously deemed unreasonable by the Board itself, this proposal threatens to exacerbate these issues, pushing more Americans out of the financial mainstream.

Considering these points, I strongly urge the Federal Reserve to withdraw this proposal. It is essential to recognize the substantial adverse effects these changes would have on our constituents.

Sincerely,



Blaine Luetkemeyer  
Member of Congress