

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Description:

---

Comment ID: 156359

From: Jay Julian

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Subject: 1818(AG67) Debit Card Interchange Fees and Routing

---

Comments:

Date: Nov 21, 2023

---

Proposal: Regulation II: Debit Card Interchange Fees and Routing [R-1818] [/p]

Document ID: R-1818

Revision: 1

First name: Jay

Middle initial:

Last name: Julian

Affiliation (if any):

Affiliation Type: ()

Address line 1:

Address line 2:

City:

State:

Zip:

Country:

Postal (if outside the U.S.):

Your comment: With respect, the rules surrounding the need for the legislature and the Federal Reserve to be involved in debit card transaction authorization and routing pricing is based on political lies. The public was sold the Durbin Amendment as a law that would reduce swipe fees. It was sold to the public that by reducing swipe fees, the big box merchants would pass that savings on to the consumer by way of lower product/service pricing. This is a lie. The savings at the merchant end NEVER materialized, but rather remained the same and the swipe fee "savings" generated for the merchant by the Durbin Amendment increase merchant bottom line profits. What the Durbin Amendment DID DO was reduce the interchange for issuers. Prior to the Durbin Amendment, the issuers were paying consumers higher interest rates on high yield checking accounts to encourage increased debit card usage. There is honesty in that process by the issuer. The issuer was passing along monetary gain to consumers. Once the Durbin Amendment was enacted and interchange income dried up for issuers, issuers immediately began ending the high interest rates on the high yield checking accounts. That is a FACT. So my point here is that the American public was lied to by the sponsors and supporters of the Durbin Amendment in an effort to transfer the benefit from issuers, who were rewarding American consumers, to merchants who are using the gains to prop up their bottom line and increased profit margin. The Durbin Amendment is detrimental to the free market economy that rewards investors and innovators with profit. The government has no business whatsoever in participating in price controls. The free market economy and competition should be allowed to prevail to encourage continued investment and innovation in the consumer banking sector. Pricing controls tamp down innovation and investment in technology banking providing an environment of stagnation. I would encourage the Federal Reserve Board to consider the impact that the Durbin Amendment has had since its implementation into any of its decisions regarding issuer interchange and routing and authorization fees. A level playing field does not always benefit the consumer, and the consumer should be what is top of mind in this consideration. Competition in the marketplace is what breeds benefits for consumers--not governmental price fixing.