

Proposal: 1748 (AG15) Regulation II - Debit Card Interchange Fees and Routing

Description:

Comment ID: 138696

From: Montana Retail Association, Brad Griffin

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Subject: R-1748; Regulation II - Debit Card Interchange Fees and Routing

Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Ms. Misback, Thank you for the opportunity to comment on Regulation II to clarify that the requirement for each debit card transaction must be allowed to be processed on at least two unaffiliated payment card networks for card-not-present transactions. I represent over 500 Montana retailers and my members report that the fees associated with debit cards have gone through the roof and are comprising an ever greater share of operating expenses.

This new rule will clarify that banks must allow retailers to decide where to route online debit card transactions for processing the same as they do with in-store debit transactions. This proposed regulation will positively impact retailers by increasing competition needed over the fees banks and card networks charge merchants to process card transactions.

With the accelerated shift to online spending during the pandemic, this issue is more important than ever. The lack of routing ability for online payments has cost retailers billions of dollars and ultimately drives up prices for consumers. The higher costs that come from lack of online routing choice is an added expense businesses can't afford as they work to recover from the economic impacts of COVID-19.

Thank you, Brad Griffin

Brad Griffin
President
Montana Retail Association
1645 Parkhill Drive, Suite 6
Billings, MT 59102
C) 406-855-5939
brad.griffin@mtretail.com
www.mtretail.com