

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

Description:

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From: Alison B. Morano

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

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

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Comments:

Date: Feb 23, 2024

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

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Your comment: President Biden is one of the biggest opponents of bailouts and special-interest bailouts in Washington, D.C. That is why he emphatically came out against the talks of bailouts to Silicon Valley Bank and Signature Bank last year and that he is making removing subsidies and corporate welfare from the federal checkbook a top priority. It is for this reason that I ask you do not adopt Regulation II. This rule runs wholly counter to the Biden administration's pro-consumer, pro-family agenda and will help Wall Street at the expense of Main Street. Nearly fifteen years ago, Congress sold the American people a bag of goods. It told them that, if the government limited the amount of money the largest corporations in America have to pay in debit card processing fees, the mega retailers would pass the savings onto their customers. There is no piece of economic evidence to suggest that this happened. To the contrary, a Federal Reserve study found that this giveaway to Fortune 500 companies led to banks being 35 percent less likely to offer their customers free checking.

The number of debit cardholders who earned card rewards was also slashed by 30 percent as a result of this policy. The Fed knew this would occur. Sarah Bloom Raskin, who was then one of the Fed Board of Governors members, was not shy in saying that the rule was "enormously controversial" but that, because "the law states that the board shall prescribe regulations," the Fed is "not at liberty to say no to what Congress has statutorily required us to do." Fair enough. No one blames the Fed for this Wall Street giveaway coming to fruition. But the last thing the Fed should do now is expand it through Regulation II. This would run entirely counter to the goals of President Biden, who nominated many of you to your current positions, and it would put blood on the hands of the nation's central bank. The American people expect Congress to engage in political posturing. They don't expect the same from the Fed. Please don't give them a reason to do so. Please reject Regulation II while you still can.

Alison Morano

Former Vice Chair of the Florida Democratic Party

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