

Patrick T. Harker
President of the Federal Reserve Bank of Philadelphia
Ten Independence Mall
Philadelphia, PA 19106

March 5, 2024

Dear President Harker,

As a decades-long veteran of managerial and leadership positions across a wide variety of industries in the Keystone State, I am a firm believer in maintaining affordable and diverse banking options that keep consumers happy and businesses afloat. I write with sincere reservations over the Federal Reserve's recent proposal to lower the limit on debit card interchange fees.

Last fall, the Fed [proposed](#) drastically reducing the current cap on debit card interchange fees from 21 cents to just 14.4 cents. At face value, this seems like a minor change. The truth is that it will set off a cascade of adverse effects, ultimately leading to more Pennsylvanians being unbanked. How do I know this? It already happened the last time Congress tried to protect consumers with a limit on interchange fees.

In 2010, Congress passed a sweeping financial law known as the Dodd-Frank Act in response to the global financial crisis. Part of that legislation was the Durbin Amendment, which first directed the Federal Reserve to set a cap on debit card interchange fees and mandated routing requirements for all debit card payment networks.

Again, while this amendment was intended as a pro-consumer buffer protecting merchants and customers from anti-competitive practices and corporate greed, the actual effects of the legislation were not so positive. Study after study has demonstrated that the Durbin Amendment led to a huge increase in the [unbanked population](#) in the United States. It also led to the [end](#) of popular and widely utilized debit card rewards programs and no-fee checking accounts. This had disastrous effects on low- and middle-income consumers and small businesses, as these groups largely depended on those offerings to stay afloat during a turbulent environment – an ability we must protect during ongoing economic uncertainty.

Rather than doubling down on a policy that has been proven to fail, we should learn from our mistakes. I implore you to urge the Federal Reserve not to proceed with this harmful policy proposal. Workers, communities, and small businesses across the Keystone State may very well depend on it.

Sincerely,

A handwritten signature in dark ink, reading "Stephen W. Robinson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Stephen W. Robinson