



Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Docket No. R-1818

Dear Board of Governors,

Neighborhood Allies writes in response to this request for comment on the proposed rule to update the maximum interchange fees that can be charged by covered debit card issuers. While we do not possess independent knowledge that could inform the appropriateness of interchange calculations themselves, we do write to note a factor we urge the Board of Governors to keep in mind.

Neighborhood Allies leads Bank On Allegheny County, the local chapter of a nationwide initiative to connect people with safe and affordable bank accounts. We regularly convene financial institutions, community organizations, government leaders, and banking regulators to discuss issues and strategies in getting unbanked and underbanked individuals connected with a checking account. With our support, 14 financial institutions within Allegheny County have certified an account meeting the Bank On National Account Standards. The account features of a Bank On account are designed to address critical pain points for consumers, such as transparent pricing and surprise fees. Certification under the Standards prohibits overdraft or insufficient fund fees but allows for limited monthly fees and minimum opening deposits in recognition of the costs of account maintenance.

Our work leading Bank On Allegheny County has proven successful both by data and national recognition. In 2022, financial institutions reported more than 17,000 Bank On certified accounts to be opened in our region. We have also led efforts to integrate account opening into several social service programs, including Pittsburgh and Allegheny County's summer youth employment program and Allegheny County Department of Human Services' financial assistance to young adults aged out of foster care. Our integrations have been highlighted at national conferences convened by our partners at The Cities for Financial Empowerment Fund as well as in publications such as American Banker.

At the same time the Standards' designated features, guardrails, and fee limitations are designed to meet those critical consumer needs, they are also designed to be economically sustainable for partner financial institutions, if not even somewhat profitable, rather than dependent upon more ephemeral charitable motivations. We note to the Board that interchange fees are a relevant component of that market sustainability and express concern that a lowering of the cap on those fees would ultimately lead banks to scale back free or low-cost checking accounts that are of vital importance to low- and moderate-income individuals.

We appreciate the Board's consideration.

Sincerely,

Sarah Dieleman Perry
VP of Economic Mobility

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