

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

Description:

Comment ID: 159458

From: Northern Michigan University College Democrats, Elysa Bratic

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

Comments:

NONCONFIDENTIAL // EXTERNAL

RE: Docket Number R-1818, RIN 7100-AG67

Dear Secretary Misback,

My name is Elysa Bratic, and I am proudly serving as the Co-Vice President of the Northern Michigan University College Democrats. I am writing to express our organization's concerns regarding the proposed amendments to Regulation II, particularly the cap on debit card interchange fees and the introduction of mandated routing requirements for all debit card payment networks.

It's clear that financial regulations carry the weight of significant implications for everyday Americans, particularly those in lower-income brackets. Historical data from the implementation of the Durbin Amendment in 2010, which capped debit card fees, has shown troubling outcomes for these communities. Studies from George Mason University in both 2017 and 2022 illustrate the unintended consequences of such financial regulations. The 2017 study pointed out that the Durbin Amendment disproportionately affected lower-income households, leading to hundreds of thousands choosing or being forced to exit the banking system. This resulted in higher costs, difficulties in obtaining credit, and complications in managing payments for the affected individuals.

Furthermore, a more recent 2022 study by the same institution indicated that the amendment has been linked to over one million Americans becoming unbanked. This staggering figure represents a significant portion of our population that has been inadvertently marginalized by a well-intentioned policy aimed at reducing costs for consumers.

As advocates for equitable policies that uplift every segment of society, we strongly urge you to consider these studies and the real-world impacts of such regulatory changes. The potential repercussions of further capping debit card transaction fees and altering routing requirements could extend the adversities faced by those least capable of bearing them.

We believe in creating a financial system that works for all, not just a select few. Thus, we respectfully request a thorough re-evaluation of the proposed changes to ensure that our policies do not unintentionally harm those they are meant to protect.

Thank you for considering our perspective on this critical issue. I am hopeful that our input will contribute to a more informed decision-making process regarding this regulation.

Sincerely,

Elysa Bratic
Co-Vice President
Northern Michigan University College Democrats
Marquette, MI