

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

Description:

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Comment ID: 160074

From: Jacob Welch

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Comments:

Dear Secretary Misback,

I hope this email finds you well. My name is Jacob Welch, and I am writing to you as a concerned citizen and former President of the Michigan College Democrats. I am reaching out to express my deep apprehension regarding the Federal Reserve's recent proposal to lower the cap on debit card transactions.

As you are undoubtedly aware, the Bank On initiative, spearheaded by the Cities for Financial Empowerment Fund, has made significant strides in promoting financial inclusion and empowerment for un- and underbanked individuals across the nation. With over 17.4 million Bank On certified accounts opened to date, this initiative has been instrumental in facilitating access to safe and appropriate financial services for millions of Americans.

However, the Fed's proposed rule to reduce the cap on debit card transactions poses a grave threat to the progress achieved by Bank On. By potentially stifling the viability of low-cost banking options, this proposal undermines the very foundation upon which financial inclusion is built.

The American Bankers Association rightly points out that Bank On accounts, characterized by minimal fees and accessible services, rely heavily on debit card activity to sustain their operations. These accounts serve as a lifeline for individuals who have historically been marginalized by traditional banking systems, offering them a pathway to financial stability and independence.

Furthermore, the data provided by Bank On underscores the critical role that debit transactions play in empowering account holders to manage their finances responsibly. With over 145 million debit transactions processed monthly, totaling billions of dollars, Bank On accounts facilitate essential financial activities while helping individuals avoid the burdensome fees associated with alternative financial services.

In light of these considerations, I urge you to reconsider the proposed rule on debit card transactions and instead prioritize policies that support and strengthen initiatives like Bank On. By doing so, we can uphold the principles of economic justice and ensure that all Americans have the opportunity to participate fully in our financial system.

Thank you for your attention to this matter. I look forward to your thoughtful consideration and action on behalf of our nation's most vulnerable communities.

Sincerely,

Jacob Welch  
Former President, Michigan College Democrats  
Jacob Welch (he/him/his)