

National Association of Federal Credit Unions

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May 13, 2010

The Honorable Harry Reid Majority Leader United States Senate Washington, D.C. 20510 The Honorable Mitch McConnell Minority Leader United States Senate Washington, D.C. 20510

Re: Oppose Senator Durbin's Interchange Amendment #3989

Dear Leader Reid and Leader McConnell:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I am writing to express our opposition to Senator Durbin's Amendment #3989 regarding interchange fees to the *Restoring American Financial Stability Act of 2010* (S.3217).

We do not believe this amendment is germane to the *Restoring American Financial Stability Act*. These complex issues have not been examined in hearings by the Senate in the 111th Congress. By allowing the government to arbitrarily set a price for debit card acceptance, credit unions that issue debit cards would be forced into an impossible decision – either raise prices for their members or stop issuing debit cards altogether.

Quite simply, this amendment would hurt credit unions and their 92 million members, and we ask you to oppose it. This is a key vote for your credit union constituency.

The modified exemption in this amendment still provides very little, if any, protection for credit unions. If credit unions continue to charge market based interchange fees, merchants will likely discriminate against credit union cards in favor of big bank products or some merchants will just refuse to accept credit union cards altogether. This amendment will allow merchants and retailers to discriminate against your credit unions constituents.

Credit unions and their 92 million members urge the Senate to reject Senator Durbin's amendment #3989 and all efforts to make changes to the interchange rate structure as part of the Restoring American Financial Stability Act of 2010, S. 3217.

Should you have any questions or require any additional information please contact me or Javier Sanchez, NAFCU's Associate Director of Legislative Affairs, at 703-522-4770.

Sincerely,

B. Dan Berger

Executive Vice President, Government Affairs

cc: Members of the United States Senate

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