



New Hampshire Bankers Association

August 15, 2016

Congressman Frank Guinta
326 Cannon House Office Building
27 Independence Ave SE
Washington, DC 20515

Dear Congressman Guinta,

As the voice of New Hampshire's banks, I write to express our support for H.R. 5465, a bill that would repeal the so-called "Durbin Amendment" – a failed experiment which imposed government price controls on debit card interchange. The Durbin Amendment was supposed to provide consumers with savings at the cash register, but instead it has cost consumers access to low-cost financial services products and harmed underbanked Americans the most.

This legislation would repeal the middle-of-the-night action instigated by the retail industry during the debate on the Dodd-Frank Act that placed the Federal government into a pricing dispute between the retail and banking industries. In short, the amendment capped debit card rates under the false promises that it would somehow benefit consumers through lower prices at the cash register and that community banks and their customers would not be harmed. In reality, the amendment has only rewarded big-box stores with higher profits, while resulting in higher costs to smaller merchants, fewer resources available for banks – including community banks – to serve their communities, and a reduction in low-cost banking services for those most in need.

Congress deserves to know that an industry will keep the promises they make during the lawmaking process, but retailers cannot produce any evidence that they have returned the proceeds of the Durbin Amendment to consumers in the form of lower prices. Fewer services and higher costs for consumers is not an acceptable policy outcome for a law that promised tangible benefits for American debit card customers.

The attached information provides greater detail on the reasons for our strong support of this repeal legislation. On behalf of all our members, we urge you to support H.R. 5465 and its inclusion in the Financial CHOICE Act as the Committee on Financial Services considers how to best protect the interests of American consumers.

Sincerely,

Christiana Thornton
President and CEO