



To: EFTA Members

From: Kurt Helwig, President & CEO

Date: February 25, 2010

Re: Legislative Alert

At a government affairs conference of the Credit Union National Association (CUNA) yesterday, House Financial Services Committee Chairman Barney Frank (D-MA) announced that his committee would not address interchange legislation in 2010.

While interchange appears to be off the table of the House Financial Services Committee in 2010, it remains on the agenda of the House Judiciary Committee.

H.R. 2695, (the Credit Card Fair Fee Act) among other things would provide merchant groups with a limited anti-trust exemption to negotiate interchange rates with electronic payment providers.

Despite Chairman Frank's announcement, regulating interchange remains a top priority for the merchant community. Therefore, EFTA will continue to closely monitor developments in both the House and Senate.

Interchange legislation may be moot should Congress enact the Consumer Financial Protection Agency (CFPA) with broad new powers over the financial services industry. The House passed a financial regulatory reform package (H.R. 4173) in December that includes the creation of a CFPA. On the Senate side, we await a similar reform proposal from Banking Committee Chairman Chris Dodd (D-CT). Many believe Chairman Dodd will propose an agency within the Treasury Department focused on consumer protection.

If you participated in EFTA's Legislative and Regulatory focused webinar yesterday, you may recall that Dennis Ambach, Chairman of EFTA's Legislative and Regulatory Council predicted that the House Financial Services Committee was not likely to act on the interchange bill this year. He made this prediction several hours before Chairman Frank's comments regarding same.