



To: EFTA Members

From: Dennis Ambach, Legislative & Regulatory Council Chairman

Date: December 10, 2010

Re: Legislative Update on Durbin Amendment

Yesterday, a bipartisan group of U.S. Senators wrote Federal Reserve Chairman Ben Bernanke voicing concerns with the Durbin amendment on debit card interchange. You may link to the letter [here](#). The Senators' arguments are similar to those made during the debate this summer. Specifically, they note that government price-setting rarely works, the small bank exemption may place these issuers at a disadvantage with larger issuers and that the benefits to the consumer are far from certain.

Interestingly, two of the 13 signatories actually voted for the Durbin amendment (Sens. David Vitter [R-LA] and Mike Crapo [R-ID]).

The timing of the letter is noteworthy because the Federal Reserve is planning to meet Thursday, December 16 to discuss and possibly approve the draft proposed rule on debit card interchange. The Federal Reserve also announced today the hearing would be broadcast live via the Web. Today's announcement is linked [here](#).

At this writing, it is uncertain whether the draft rules will be publically available on December 16. Please be assured EFTA is monitoring all developments closely and will notify members when the draft rule is published. EFTA will also promptly conduct a Webinar for members that will provide a full analysis of the proposed rules.