



To: EFTA Members

From: Kurt Helwig, President & CEO
Dennis Ambach, Legislative & Regulatory Council Chairman

Date: March 15, 2011

Re: Senate Bill Seeks to Delay Durbin Implementation

Earlier today a bipartisan coalition of Senators led by Senator John Tester (D, MT) and Senator Bob Corker (R, TN) introduced [S. 575 \(The Debit Interchange Fee Study Act\)](#). This legislation seeks to delay Durbin Amendment implementation and requires multiple agencies to conduct a study on the impact of regulating debit interchange.

The Bill references [comments](#) made by Fed Chairman Bernanke and FDIC Chairwoman Sheila Bair that among other things questioned the effectiveness and impact of the small financial institution exemption.

The agencies directed to conduct the study include the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration. The aforementioned agencies "shall jointly submit a report to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services in the House regarding the impact of regulating debit interchange transaction fees and related issues under Section 920 of the Electronic Funds Transfer Act."

Passage of this legislation could void earlier rule makings on this issue.

While momentum builds for a delay in implementation it will continue to face fierce opposition from the Amendment's author Senator Durbin (D, IL).

EFTA will continue to keep you abreast of further developments.