

Electronic Funds Transfer Association Supports Bills Delaying Implementation of Debit Card Fee Caps

Key Trade Group Says Rushing to Meet Deadline Could Hurt Consumers

FAIRFAX, Va.—April 6, 2011—The [Electronic Funds Transfer Association](#) is endorsing federal legislation seeking to delay the July implementation of Federal Reserve rules limiting how much banks can charge merchants for debit card services.

The “[Durbin Interchange Amendment](#),” Section 1075 of the Dodd-Frank Act, required the Federal Reserve to develop rules and standards for regulating debit card fees by April 21.

Implementation of those rules is currently set to take effect three months later.

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EFTA supports bi-partisan legislation (S. 575/H.R. 1081) sponsored by Sen. John

Tester (D-MT) and Rep. Shelley Capito (R-WV) that would delay the Federal Reserve’s implementation of the Durbin amendment beyond July.

“EFTA cannot support a plan that would require the payments industry to implement deep and systemic changes without adequate time to plan and test those changes,” said Kurt Helwig, president and CEO.

In an April 1 [letter](#) to Congressional leaders, EFTA stated complying with the Durbin amendment could not begin until the Federal Reserve issues “clear and concise” rules and standards. Federal Reserve Chairman Ben Bernanke has already notified Congress that the Fed is sorting through 11,000 comment letters on the rule and will not make the April 21 deadline.

Complying with the Federal Reserve rules will require “prudent end-to-end testing and validation to ensure the integrity of the global payments system,” according to James Hanisch,

executive vice president of CO-OP Financial Services and Chairman of the EFTA Board of Directors.

“We need a minimum of three and possibly as many as 12 months from the publication of the final rules until we can implement,” Hanisch said. “These rules not only affect merchants, financial institutions, and processors. They affect hundreds of millions of consumers. Probably more than anyone, EFTA’s members appreciate the Fed’s challenge in addressing the complex operational and technical issues involved in implementing the Durbin amendment. Delay will help ensure it gets done properly.”

About the Electronic Funds Transfer Association

The Electronic Funds Transfer Association is a leading inter-industry trade association dedicated to the advancement of electronic payments systems and commerce. Its mission is to inform and educate the public on issues of importance to the electronic payments industry and to objectively promote the adoption of electronic payments and commerce.

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