

To: EFTA Members

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

Date: June 7, 2011

Re: Summary of Tester Compromise Amendment to Delay Durbin
Implementation

Sen. Jon Tester (D-MT) recently revised his proposal to “stop and study” the implementation of the Durbin Amendment on debit card interchange. A summary of the compromise is linked [here](#).

As you will note, the compromise cosponsored by Senator Bob Corker (R-TN) proposes a 12-month delay of the Durbin Amendment. It calls on the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and National Credit Union Association to make “determinations” whether the statute or Fed rules:

- Do not include all fixed and incremental costs;
- May adversely impact debit card consumers; or
- The small issuer exemption may not be effective in practice.

Under the compromise amendment, if the Federal Reserve and one other agency make any one of these determinations, the Fed is to rewrite the debit card interchange rules within six months.

Sen. Tester is expected to offer this new amendment to S. 782, the Economic Development Revitalization Act, currently on the Senate Floor. News reports suggest a vote could occur this week. Questions remain whether Senator Tester has the 60 votes necessary for passage.

We are following all developments closely and will update you soon. You can get the fastest updates by following us on Twitter: kurtEFTA and dennisEFTA.