



Wall Street Alternate Reality Association

March 16, 2017

The Honorable Paul Ryan
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Chairman Jeb Hensarling
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Ranking Member Maxine Waters
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Ryan, Leader Pelosi, Chairman Hensarling, and Ranking Member Waters:

As Congress works its way through many issues, one issue of great importance is the Durbin Interchange Amendment, which stands apart as an unjustified modern example of government favoritism. ~~The retail industry slipped the tangential Durbin Amendment into the Dodd-Frank Act at the very last minute, while Congress was understandably focused on other matters.~~ Retail lobbyists claiming to speak for all retailers made a quick sale: promising that putting the Federal Reserve in charge of the market for debit card transactions would mean lower prices for consumers at the register.

Six years later, ~~there is no evidence that retailers lowered prices as they promised~~ – the Durbin Amendment was simply a ~~windfall for the nation's largest merchants.~~ And the price for that windfall is being paid by ~~consumers, many of whom can no longer enjoy free checking accounts, free debit rewards, and other add-on benefits that used to be offered by their bank.~~

Actually, the Durbin Amendment was **hotly debated** in Congress. The Senate voted 64-33 to include it financial reform.

By “other matters,” did you mean cleaning up the **train wreck Wall Street banks made of our economy?**

Wrong again. Competition in retail has never been more fierce, and the result is **lower prices online and in stores.**

<https://www.thestreet.com/story/13678682/1/america-is-now-walmart-country.html>
<http://fortune.com/video/2017/02/28/target-is-lowering-prices/>

Retail windfall? **Seriously?** Do you read the WSJ or watch CNBC?

Were these accounts your customers opened **voluntarily?**
Just curious....

<https://www.bloomberg.com/view/articles/2016-09-09/wells-fargo-opened-a-couple-million-fake-accounts>

Big banks have made **over \$1 trillion since the financial crisis.**

Explain again why your customers are losing “free checking?”

CNBC - Banks have raked in nearly \$1 trillion in profits since the financial crisis

<http://www.cnn.com/2017/03/03/banks-have-paid-321-billion-in-fines-since-the-crisis.html>



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Rather than helping consumers, the Durbin Amendment has shifted higher profits to big-box stores and away from small businesses and consumers. Just as galling, retailers have pocketed this windfall at the precise time that their underinvestment in cybersecurity has ~~permitted massive payment data breaches~~ on their systems — costing consumers, banks of all sizes, and credit unions many hundreds of millions of dollars to remedy.

Seriously, throwing stones? The largest theft of customer data in HISTORY came from a **JPMorgan data breach...** did you forget?

<http://www.businessinsider.com/jpmorgan-hacked-bank-breach-2015-11>

Now, when they are asked to defend their broken promises, retail lobbyists create even more elaborate promises to obscure their bait-and-switch. It is telling that ~~critics on the left and right, including those involved in the Dodd-Frank Act itself, are skeptical of the Durbin Amendment.~~ The facts are in: the Durbin Amendment has been a failure.

Maybe the right and left hand sides of Wall Street think Durbin is a failure, but **Main Street merchants want to keep swipe fee reform.**

~~The undersigned institutions, who serve tens of millions of consumers and local communities across this nation every day,~~ strongly urge you to reverse this special interest policy handout to big box interests. As the House Financial Services Committee considers how best to protect the interests of American consumers, we urge you to support efforts to repeal the Durbin Amendment.

Main Street retailers would ask that you not give Wall Street banks a green light to go back to fleecing merchants and our customers with higher fees.

Competition in retail has never been more aggressive. Margins are tight from big box stores to mom-and-pop merchants to online sellers. **Don't buy this phony argument from Wall Street—they're raking in record profits.**

<https://www.wsj.com/articles/u-s-banks-report-record-profit-in-third-quarter-1480433459?mg=id-wsj>



Redlines brought to you by the Retail Industry Leaders Association.