

Markup of H.R. 627

Wednesday, April 1, 2009, 11:00 a.m, 2128 Rayburn House Office Building

Opening Statement – Congressman Ron Klein

This bill is a good first step in dealing with credit card issues, and basic fairness, openness and common sense in credit card charges and fees. However, I think that there is another credit card issue that needs to be addressed which affects costs to consumers and our business community – interchange fees.

Credit-card companies charged merchants \$48 billion in interchange fees in 2008, and interchange fees have more than doubled in the last 10 years, despite advances in technology.

I am concerned that small businesses are being hurt by these fees, particularly in the current economic climate. I am also concerned that large interchange fees create an incentive for banks to issue as many credit cards as possible — without regard to the credit risk of consumers.

This committee should take a critical look at interchange fees to ensure that these fees are not harming merchants and ultimately consumers.