



## What the Credit Card Competition Act Overlooks

Ohio small businesses are the backbone of Main Street, and a difficult economy compounds costs, stifles innovation, and challenges consumer satisfaction. These stiff operating headwinds are not isolated to mom-and-pop restaurants and retailers only. They also impact how community-based credit unions and other lenders serve local communities.

Together, cooperative credit unions, other community lenders and small businesses help everyday Ohioans thrive - through affordable lending, accessible lines of credit, and by being a trusted resource. That's why the ongoing battle between electronic payment networks and small business-paid credit card swipe fees – also known as interchange fees – detracts from the need for the current interchange framework and its important role in protecting Ohio consumers.

Many people rely on credit cards to make life happen, from paying for groceries to covering emergency car repairs or medical expenses. Accepted nearly everywhere, credit cards offer robust security, fraud protection and access to credit that may not be otherwise available. Interchange fees, which are only a fraction of a cent per dollar transacted, help cover some of the costs to make this possible.

The [Credit Card Competition Act](#) overlooks how trusted and secure payment networks currently cover the cost of fraud detection, fraud purchase protection, and credit monitoring that benefit both consumers and small businesses. Its promises of competition would not translate into lower costs for consumers, while potentially restricting access to credit and bringing larger risks of data breaches.

In 2022, [more than 422 million individuals](#) suffered data breaches. Interchange fees help financial institutions defray the costs of reissuing cards and making consumers whole. Interchange fees also keep credit cards safe from would-be hackers, facilitate a secure payment between a small business and consumer, and ensure both parties are not responsible for fraudulent purchases.

Consumers also rely on credit cards to build credit and gain access to funds. That means many consumers already have access to safe, affordable credit with nearly any small business that accepts credit cards across the state. In turn, it also means that small businesses have access to more consumers.

As Ohioans, we have a responsibility to empower consumers with choice. Consumers get to choose a small business to meet their needs. Consumers get to choose a credit union or other financial institution that best meets their needs. Consumers get to choose a shopping experience based on their preference, including the method of payment.

U.S. Senators Sherrod Brown and JD Vance should continue empowering small businesses and community financial institutions like credit unions to work together, to deliver the best experience for hardworking Ohioans. That means a safe, secure, and reliable method of payment for Main Street people and business to best serve local economies. We urge them to oppose the proposed Credit Card Competition Act.

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