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President and CEO

June 30, 2010

Letters to the Editor
The Washington Post
1150 15th Street NW
Washington, DC 20071

Dear Editor:

If the issues on interchange (“swipe”) fees were only a question of small businesses versus big banks, then I can see Jennifer Armstrong’s point (“Commentary: Congress should stop small businesses from getting choked by credit card ‘swipe fees,’” June 28, 2010), but there’s more at stake. The amendment that’s now part of the conference report on regulatory reform will instead pit the small community banks against the big-box retailers. After all, it is the community banks and their customers on Main Street, which include many small businesses like Jennifer Armstrong’s, that will suffer.

Many community banks issue debit and credit cards as a service to their local customers, and they do so fairly and honestly, and with better rates and terms than can be found at larger institutions. The key that makes this possible is the existing interchange system, which allows community banks to compete directly with the largest banks in the debit and credit card marketplace to ultimately meet the needs of local consumers and small businesses.

The amendment, which forces the Federal Reserve to become a price-setting body, would dramatically alter the electronic payments system and make it very difficult for debit card-issuing community banks to continue to provide a wide array of products and services to consumers.

The current card-payment system allows the small financial institutions, community banks and credit unions, to compete on a level playing field with the largest financial institutions in the world. It allows consumers to decide which method of payment they will use. Where is the benefit in changing the current system simply to let big-box retailers reap larger profits at the expense of the rest of us?

To find a community bank near you, visit ICBA’s [Community Bank Locator](http://www.icba.org/consumer/BankLocator.cfm?sn.ItemNumber=51757), (<http://www.icba.org/consumer/BankLocator.cfm?sn.ItemNumber=51757>). And to learn more about community banks, go to www.ICBA.org.

Sincerely,

Camden R. Fine
President and CEO
Independent Community Bankers of America