



September 22, 2022

The Honorable Mark Warner  
703 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Warner,

On behalf of Virginia's 106 credit unions their 15 million members, we are writing to reiterate our strong opposition to S.4674, the Credit Card Competition Act, which would mandate a minimum number of networks to be available for routing credit card transactions and places requirements on which networks are used. This bill was proposed in the Senate in July, and similar legislation was introduced in the House of Representatives earlier this week as H.R. 8874. We oppose any legislation that would impose these mandates. The credit card payments industry is a healthy and competitive space, and further legislation in this area is both unnecessary and harmful to innovation and security. We urge you to oppose this legislation.

This legislation would undermine the overall health and security of the U.S. payments ecosystem and have significant negative implications for consumers and small businesses. This effort by merchant groups to shift billions of dollars of consumer credit card spending to less secure, less innovative, and higher-risk transactions would make America's payment system less secure and put consumers in a vulnerable position. At a time when fraud prevention, cybersecurity, and digital innovation are more critical than ever, merchant groups are seeking to undermine the significant protections and security that exist today to protect credit card payments. Merchant groups want the ability to route credit transactions to the cheapest networks—regardless of their investment in network security -- leaving the burden on consumers, small businesses, and financial institutions to clean up when things go wrong. Credit card fraud is already a significant issue, with over \$149 million in credit card fraud losses in 2020, according to the Federal Trade Commission, and continues to rise.

Similar regulation on debit card networks has inflicted harm on consumers and small businesses over the last ten years. Extending highly unsuccessful regulation to a completely different form of payment serves no public policy goal and will irreparably harm consumers, small businesses, and small financial institutions, and create new and unpredictable risks to the safety and soundness of the U.S. payments ecosystem. We ask that you oppose this legislation.

If you have any questions regarding interchange, please use the Virginia Credit Union League as a resource. You can contact me directly at [chunt@vacul.org](mailto:chunt@vacul.org).

Sincerely,

Carrie R. Hunt  
President/CEO, Virginia Credit Union League