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Kansas Banking Groups Oppose Durbin 2.0 Government Mandate *CBAK & KBA Opposing S. 4674*

Topeka, Kan, August 5, 2022: The Kansas Bankers Association (KBA) and Community Bankers Association of Kansas (CBAK) are joining forces to oppose federal legislation (S. 4674) co-sponsored by U.S. Senator Dick Durbin (D - Illinois) and U.S. Senator Roger Marshall (R – Kansas) that would force banks to contract with multiple credit card routing companies, which would have a chilling effect on banks' ability to offer a diverse array of credit card products that consumers have come to value greatly. This proposal, which is falsely being touted as a mechanism to increase competition, will in fact reduce the ability of banks to provide the most innovative and most secure credit card products in today's marketplace. Simply put, it will negatively impact banks and their customers, while bolstering the profits of big-box retailers and e-commerce giants that already benefit greatly from the strongest financial services network in the world. Merchant groups supporting this bill are asking the federal government to grant them control over credit card processing without any new requirements for those same merchants to tackle ever-growing fraud and security concerns at the merchant level.

"This proposal is bad news for Kansas banks and very bad policy for individual Kansans that look to their local bank for credit card services. Despite contrarian claims by Senators Marshall and Durbin, a federal mandate on credit card routing is direct government intervention into our free-market system and will ultimately deprive Kansas consumers of the benefits of highly popular credit card rewards programs and the highest data security and fraud protection for their personal credit card transactions. While the authors of this bill claim it will enhance competition, the fact is this proposal will jeopardize the ability of Kansas banks to provide the high-quality credit card payment options Kansans want and need."

- Shawn Mitchell, President & CEO
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"The credit card routing mandate proposed by Senators Durbin and Marshall is an unwarranted attack on the freedom of private sector banks to engage with financial service partners that bring the greatest value, widest array of benefits and strongest financial security to their credit card customers. This proposal will impose enormous costs on Kansas banks, including many community banks that will be forced to pay for rewiring how credit cards are processed, and it will jeopardize the ability of those same community banks to offer loyalty and reward cards that tens of thousands of Kansans enjoy and benefit from. If enacted, this legislation will drive small community banks from this marketplace and further trigger community bank consolidation."

- Doug Wareham, President & CEO
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