

IDAHO CREDIT UNIONS

Not-for-Profit. Cooperative. Local. Trusted.

October 12, 2022

The Honorable Mike Crapo
U.S. Senator
239 Dirksen Senate Office Building
Washington, DC 20510

Delivered electronically

RE: Proposed Amendments to NDAA and S.4674

Dear Senator:

As the President and CEO of GoWest Credit Union Association, which serves the not-for-profit, cooperative credit unions in your state, I am reaching out to share some serious concerns our member credit unions have regarding proposed amendments to the National Defense Authorization Act (NDAA).

As you know, the NDAA ensures our troops have the training, equipment, and other resources they need to serve and protect our nation. Senators Dick Durbin and Roger Marshall have filed amendments to this critical legislation, using it as a convenient vehicle to pass the controversial [Credit Card Competition Act, S.4674](#). They may feel they have good intentions to protect consumers, but please allow me to share some facts about why this legislation – and the NDAA amendments – are misguided.

First, the Credit Card Competition Act will only benefit retail giants. It will force local financial institutions such as community banks and credit unions to contract with multiple credit card routing companies. And the decision about which companies are used is made by the retailers. Our concern is that with profit as a motive, they will select the cheapest system, not the most secure. Consumers trust the secure payments systems we currently use, and the interchange fees we do receive are used to protect our members' data, to replace cards and ensure our members are financially made whole when fraud does occur on a merchant's system. Senator, just ask any of your constituents; data protection is more important to them than cheaper service for mega-retailers. If the legislation passes and lowers the fees merchants pay every time your constituents use their credit cards, would the mega-retailers pass those savings along? Not if history is any indication. When the Durbin Amendment was passed as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the merchant lobby made promises that consumers would benefit. But here's what actually happened: The [Federal Reserve Bank of Richmond](#) found that after the Durbin Amendment was implemented, 98.8 percent of merchants did not pass their savings along, and in fact 20% of them increased costs.

With regards to the Durbin-Marshall amendments to the NDAA: one of them is nothing more than a back-door attempt to pass S.4674. The other calls for an unnecessary study on swipe fees in military commissaries and Morale, Welfare, and Recreation facilities. The DoD and Treasury regularly review the military banking program, and the data the amendment seeks through a cumbersome study could easily be obtained by sending a letter, or by contacting the major payment card networks. This "study", outlined in the amendment, is a litany of slanted research questions hastily written to gain a specific outcome, whereas the DoD's research and process in implementing the military banking program is well thought out and highlights the considerable benefits military members receive under current card programs.

We can do so much better for our military consumers, and to position our community financial institutions to best serve them. We strongly urge you to oppose the Durbin-Marshall amendments to the NDAA, as well as S.4674.

I would be happy to discuss these concerns in more detail with you or with members of your staff. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Stang". The signature is fluid and cursive, with a large initial "T" and "S".

Troy Stang
President and CEO
GoWest Credit Union Association