

May 29, 2026

Office of the Comptroller of the Currency
Attn: Comment Processing
400 7th Street SW
Suite 3E-218
Washington, DC 20219

Re:

Interim Final Rule: RIN 1557-AF54; Docket ID OCC-2026-0430
Interim Final Order: RIN 1557-ZA10, Docket ID OCC-2026-0431

Dear Madam or Sir:

The Merchants Payments Coalition (MPC) respectfully submits this comment in response to the Office of the Comptroller of the Currency's (OCC) interim final rule revising 12 C.F.R. § 7.4002 and the related interim final order concerning the application of the Illinois Interchange Fee Prohibition Act (IFPA) to national banks.

MPC represents a broad coalition of Main Street businesses and trade associations from across the United States, including grocery stores, bookstores, convenience stores, fuel retailers, restaurants, campgrounds, lumber dealers, online merchants, and many other businesses that depend on a fair and competitive payments system. Because interchange fees are embedded in the cost of virtually every card transaction, the OCC's interim final rule would have far-reaching effects on merchants, consumers, and competition throughout the economy.

MPC opposes the OCC's interim final rule and order and urges their withdrawal. The OCC's actions represent a significant departure from longstanding federal banking policy governing the establishment of bank fees. For decades, OCC regulations have recognized that fee-setting authority under the National Bank Act is predicated on competition among banks. The interim final rule abandons that principle by expressly authorizing national banks to receive fees established collectively through third parties, and thus endorsing fee structures that are not competitively determined by individual banks (including but not limited to interchange fees). The steps that the OCC is taking to preserve banks' lucrative interchange revenue stream would mean less competition between banks and higher costs for merchants and consumers.

Merchants operate every day in a competitive market environment where each merchant sets its own prices. Such market competition is good for consumers and for the American economy. The OCC should not seek to immunize national banks from market competition. But that is exactly what its misguided actions would do.

Background on Interchange Fees

Interchange fees are the transaction fees charged to merchants each time a consumer uses a credit or debit card. These fees are not negotiated individually in a competitive market but instead are centrally established by the major card networks, which set standardized fee schedules that card-issuing banks agree to collect. Because merchants must accept card payments to remain competitive, they have little ability to avoid or negotiate these costs. As a result, interchange fees represent a significant and unavoidable operating expense for businesses of all sizes. Those costs are ultimately borne not only by merchants, but also by consumers, as increased payment processing expenses are incorporated into the prices of everyday goods and services, reducing affordability across the broader economy.

One analyst estimates that card networks and card-issuing banks collected a combined \$198.25 billion in credit and debit card merchant fees in 2025, meaning the average American family paid more than \$1,200 last year in higher consumer prices as a result of these fees.

The Existing Regulation Requires Independent, Competitive Fee Setting

Current OCC regulations appropriately recognize that national banks may charge fees only where those fees are established independently by each institution in a competitive market environment. Existing 12 C.F.R. § 7.4002 provides that fees are to be “arrived at by each bank on a competitive basis” and not through agreements, understandings, or coordinated discussions among banks or their representatives.

The regulation further recognizes that decisions regarding the calculation and assessment of fees are business decisions that must be exercised individually by each bank pursuant to sound banking judgment. This framework reflects the longstanding principle that banks should compete with one another on pricing and fee structures.

The interim final rule departs from that principle by permitting fees to be “set by or in consultation with third parties.” In practice, this authorizes centralized fee-setting arrangements in which banks no longer independently determine the fees they impose or receive.

The OCC’s Position Conflicts with the Anticompetitive Reality of Interchange Fees

The OCC’s action follows litigation concerning the Illinois IFPA, in which a federal district court concluded that the National Bank Act does not preempt Illinois’ prohibition on interchange fees assessed on taxes and gratuities.

In reaching that conclusion, the court emphasized that interchange fees are not individually determined by competing banks. Rather, those fees are established centrally by payment card networks such as Visa and Mastercard and applied uniformly across participating issuing banks. As a result, banks do not compete over the interchange fees they receive.

The OCC participated in that litigation and advanced preemption arguments that were rejected by the district court. Rather than allowing the appellate process to proceed, the OCC has now issued an interim final rule and order designed to alter the legal framework while the matter remains under judicial review.

The OCC's Actions Raise Significant Concerns Regarding Administrative Process

The process that the OCC has used is particularly concerning. The OCC issued the interim final rule and related order while the Illinois litigation was actively pending before the Seventh Circuit Court of Appeals, after briefing had occurred and oral argument had been scheduled, in an apparent attempt to circumvent judicial review. The OCC lacked justification to ignore the normal Administrative Procedure Act process, and it also lacked an adequate factual or legal basis justifying the sweeping changes it proposes. The procedural deficiencies with the OCC's interim final rule and order are unlikely to stand up to scrutiny in court.

The OCC's Interim Final Rule Improperly Endorses Collective Fee-Setting

Beyond the procedural concerns, the interim final rule represents harmful policy because it effectively approves collective fee-setting arrangements among large financial institutions.

The revised rule no longer requires that banks independently establish fees in a competitive environment. This represents a fundamental reversal of the OCC's longstanding recognition that competition should govern bank fee practices.

Importantly, the implications of the rule extend far beyond interchange fees. The revised language could apply broadly to numerous categories of consumer financial charges, including late fees, overdraft or over-limit fees, annual card fees, ATM fees, and similar charges. By eliminating the expectation of independent competitive pricing, the rule risks encouraging industry-wide fee standardization at the expense of consumers and merchants alike.

Conclusion

The OCC's interim final rule and order directly contradict President Trump's call to end the "swipe fee ripoff" by preserving and endorsing a system in which card networks centrally set interchange fees that banks uniformly charge merchants. Rather than promoting

competition or lowering costs for consumers, the rules reinforce a pricing structure that drives up the cost of accepting card payments and ultimately raises prices across the economy.

The OCC's historical approach appropriately recognized that bank fees should be established through independent competition among institutions. The interim final rule abandons that principle and replaces it with a framework that permits centralized fee-setting arrangements that are in conflict with free market principles and harmful to consumers and merchants.

For the foregoing reasons, the OCC should withdraw the interim final rule and related order.

Respectfully submitted,

Merchants Payments Coalition