



May 4, 2017

The Honorable Paul Ryan
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Ryan and Leader Pelosi:

Financial Innovation Now (“FIN”) writes to express its significant concerns regarding language in the CHOICE Act that repeals current law on debit card fees and routing competition. FIN is an alliance of leading innovators - Amazon, Apple, Google, Intuit, and PayPal - promoting policies that empower technology to make financial services more accessible, safe and affordable for everyone.¹

Debit reforms have successfully promoted innovation and technology advancement in payments. Consumers and small businesses now benefit from lower costs and access to new payment options that simply did not exist six years ago. It is now possible for consumers to use a smartphone to securely send money to family members, pay rent on time, and avoid late fees. Small businesses can open their doors or start selling online in a matter of minutes using technologies that easily enable card payments, simplifying and lowering swipe fees, and now even accept payments via peer-to-peer platforms at the touch of a button or simply by voice.

In passing debit reforms, Congress recognized that consumers and small businesses are not well served when few stakeholders have control over the payments system. The final Fed rule led the way to competitive pricing and routing that has enabled companies to drive alternative payment technologies.

Lower debit fees and improved routing choice have meaningfully spurred competition and technological development. Payment innovators are building on this opportunity to deliver real solutions to the marketplace, and more is on the way. This innovation should not be foreclosed.

We urge Congress instead to look for ways to speed commerce and lower payment costs by scrutinizing technological barriers to payment security and explore ways to foster payment authentication methods that are more standards-based, open, and interoperable. Congress should also consider the potential for risk-based network fees as a market-based solution to incentivize better security, decrease fraud, and lower costs for consumers and businesses.

FIN respectfully opposes the CHOICE Act’s language repealing these important debit reforms and urges you to ensure this bill does not pass with such language. As leading innovators in financial services and technology industries, we hope that the House will join us in recognizing

¹ For more information regarding FIN’s policy priorities and principles, please visit <https://financialinnovationnow.org>

the important contributions debit reforms have made for consumers and small businesses, and reject any efforts to repeal them.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "B. Peters". The signature is fluid and cursive, with a prominent initial "B." followed by "Peters" written in a more stylized, connected script.

Brian Peters
Executive Director
Financial Innovation Now