Credit Union Comment on the Interim Final Rule

[*Text within brackets in the body of the letter indicates a choice to be made by the individual credit union or information to fill in. Individual credit unions are encouraged to tailor the template to their own facts and circumstances. While this template has been drafted for credit unions without a geographic footprint in Illinois, it can/should be modified for credit unions with locations in Illinois.*]

Chief Counsel's Office
Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW
Suite 3E-218
Washington DC, 20219
Docket ID: OCC-2026-0430

To Whom It May Concern,

We write to express our appreciation to the OCC for the interim final rule clarifying the longstanding powers under federal law for national banks and federal savings associations to charge fees, regardless of whether those fees are set by the bank or by a contract with a third party. We urge the OCC to issue a final rule to codify the interim final rule. We also support and strongly agree with the arguments made in the OCC's amicus brief related to the *Illinois Bankers* case in the Seventh Circuit. We have written separately to comment on the pre-emptive order.

It is critical for the smooth operation of the nationwide card-based payment system that we are able to offer cards that work the same regardless of where the cardholder happens to use them. As such, we strongly believe that preemption is necessary to ensure and preserve a national card-based payment system. Otherwise, as stated in the release of the interim final rule, the IFPA "creates a complex and potentially unworkable standard, and it imposes significant potential liability for non-compliance." The IFPA could potentially lead to a fractured payment network as each state enacts similar legislation. Even the judge in the *Illinois Bankers* case cited declarations noting that the costs on payment networks would be "staggering" and that there could be "potentially business ending consequences for some members of the market." Credit unions operate on a not-for-profit cooperative model with limited economies of scale. These costs would hit the nation's approximately 4,200 credit unions especially hard, as we rely on interchange fees to help provide low-cost, secure credit to our members and communities.

A description of the impact on our institution might also help illustrate the harm that the IFPA and similar legislation in other states will cause. *[Name of credit union]* is a [*federally*][[*name of state]*-chartered credit union headquartered in [*state*] with $[*amount*] in assets as of March 31, 2026. Our geographic footprint is [*states, locations, etc.*]. Members use our cards largely within our geographic footprint but may travel from time to time to Illinois and the states that are considering or have passed similar bills, such as Colorado, Delaware, Oklahoma and Pennsylvania. Given the size of our credit union, it is not operationally nor economically feasible for us to build, maintain and validate the state specific transaction level systems that the IFPA -- and similar laws -- would require. [*In any given month, our cards are used in transactions with a value of approximately $*[*amount*] *in Illinois*.] [*NOTE: Only include if your credit union has data on the value of card transactions in Illinois*] We are also seriously concerned about the draconian nature of the penalties provision, which if strictly enforced by the Illinois AG or by an

AG in a state with similar legislation and similar penalties, could have a drastic impact on any credit union that an AG chooses to punish. Furthermore, the complex manual process workarounds contemplated under the IFPA are not consistent with safe, sound and efficient banking practices.

The IFPA presents massive and complicated operational challenges with which we believe the national payments networks will struggle. As a result, if those networks do not change their systems, our practical choices are to inform our members that their cards will no longer work in Illinois or to engage in expensive and error-prone manual process workarounds. Our board and senior management are still considering our options.

Sincerely,
[*Name*]
[*Title*]
[*Credit Union Name*]
[*Location*]