



October 11, 2016

Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Proposed Agency Information Collection Activities; Comment Request: Proposed Revision to Regulation II Debit Card Issuer Survey (FR 3064a) and Request for Comment on Information Collection Proposal

Dear Mr. Frierson:

The Board of Governors of the Federal Reserve System (the “Board”) recently issued for public comment a series of questions and proposed revisions regarding the biannual debit card issuer survey (the “Issuer Survey”), pursuant to which the Board collects certain information to facilitate the Board’s ongoing administration of Section 920(a) of the Electronic Fund Transfer Act (“Section 920(a)”) ¹ and related Federal Reserve Board Regulation II (“Regulation II”). ² The American Bankers Association, The Clearing House Association L.L.C., the Consumer Bankers Association, the Credit Union National Association, The Financial Services Roundtable, the Independent Community Bankers of America, the Mid-Size Bank Coalition of America, and the National Association of Federal Credit Unions (collectively, the “Associations”) respectfully submit this letter in response to the Board’s request for comment, published in the Federal Register on August 9, 2016. ³ The Associations appreciate the opportunity to provide comments on the proposed revisions to the Issuer Survey.

The Associations acknowledge the significance of the Issuer Survey as a tool in the Board’s ongoing implementation of Section 920(a). The information gathered from the Issuer Survey and the Board’s use of that information may impact significantly the debit card marketplace. Consequently, the Associations and the debit card issuers they represent have an interest in

¹ 15 U.S.C. § 1693o-2(a).

² 12 C.F.R. pt. 235.

³ 81 Fed. Reg. 52689 (August 9, 2016).

ensuring that the Board collects comprehensive, accurate debit card cost information, and that any Board action influenced by the Issuer Survey is grounded in an understanding of the existing debit card marketplace and the true costs associated with operating a debit card issuing program.

EXECUTIVE SUMMARY

The Associations believe that the Board should develop an Issuer Survey that completely and accurately captures issuer cost data related to electronic debit transactions without placing an undue burden on those required to complete the Issuer Survey. To achieve this objective, the Associations strongly encourage the Board to:

- Commence the Issuer Survey not earlier than February 15 in the applicable years, and allow at least ninety (90) days for respondents to complete the Issuer Survey;
- Eliminate the breakdown of fixed and variable costs as the Board has proposed; and
- Revise the Issuer Survey to ensure that full debit card program data are captured accurately and completely, particularly with respect to costs of authorization, clearing, and settlement, and to avoid insufficiencies and imprecision that may hinder the Board's ability to conduct a comprehensive analysis.

We urge the Board to revise the Issuer Survey to address the concerns raised in this comment letter and discussed in detail below. As the prior iterations have demonstrated, the Issuer Survey is an important tool for the Board in fulfilling its ongoing obligations under Section 920(a). We believe that there would be substantial benefit to the Board, debit card issuers, and the debit card marketplace if the Issuer Survey was revised as recommended in this letter.

DETAILED COMMENTARY

I. The Board's data collection function under Section 920(a)

Section 920(a) provides that the Board shall, at least every two years, disclose aggregate or summary information concerning the costs incurred and interchange transaction fees charged or received by issuers in connection with debit card transactions.⁴ Section 920(a) provides the Board with the authority to require issuers to provide information to enable the Board to carry out this task.⁵

In furtherance of the Section 920(a) data collection mandate, the Board now has issued Issuer Surveys in 2011, 2013, and 2015. The Issuer Surveys collect information on costs, debit card usage, and interchange fees. The Issuer Survey is mandatory for issuers that the Board has determined are within the scope of Section 920(a). Notwithstanding incremental revisions to each successive iteration of the Issuer Survey, the Issuer Survey continues to present several

⁴ 15 U.S.C. § 1693o-2(a)(3)(B).

⁵ *Id.*

overarching concerns. If these concerns are not addressed, the Issuer Survey may suffer from insufficiencies that lead to incomplete, inaccurate, or statistically unusable responses. Incomplete, inaccurate, or unusable responses inevitably will hinder the utility of the Issuer survey for the Board's analysis, aggregation and reporting under Section 920(a) and potentially will harm debit card issuers if the Board modifies Regulation II based on the data collected from the Issuer Survey in its current form.

II. Timing of Issuer Survey Response Period & Modifications to the Online Survey

As the Board correctly notes, to provide comprehensive and accurate data, respondents will need a reasonable amount of time to collect relevant information following the end of the relevant calendar year and will require sufficient time to fully complete the Issuer Survey. Accordingly, we commend the Board for proposing a full ninety-day period for issuers to respond to the Issuer Survey. However, beginning the response period in January is unlikely to be of practical benefit to debit card issuers and is unlikely to improve the accuracy or completeness of responsive data.

If the historical Issuer Survey response process may be used as a reasonable guidepost, then issuers will not have the required data to respond to the Issuer Survey before mid-February at the earliest. For example, many issuers will not receive invoices from third parties (e.g., processors or networks) for year-end activity until mid-January or later. In addition, the personnel resources that issuers use to complete the Issuer Survey are committed to other year-end activities in January and unavailable to facilitate preparation of Issuer Survey responses until year-end closing activities are complete. And these personnel resources are critical – on average, our member institutions required more than 250 hours to complete the 2015 Issuer Survey, with many of the larger issuers needing in excess of 450 hours to complete the 2015 Issuer Survey (more than ten (10) full working weeks). Consequently, most debit card issuers will not be able to begin the time consuming task of preparing responses to the Issuer Survey until mid-February, even if the survey itself is made available earlier.

As a result of resource requirements and personnel and data availability, we believe that respondents should be given not less than ninety (90) days to complete the Issuer Survey and that the Issuer Survey should not be issued until February 15th or later. This timing allows for year-end closing and preliminary audit and review of debit card program data from the previous calendar year. Issuing the Issuer Survey on or after February 15th and allowing at least ninety (90) days to complete them will increase the availability of accurate, complete data in response.

In addition to the proposed timing of the Issuer Survey, we also would urge the Board to implement three changes to the online reporting tool that would have a significant impact on the ease with which issuers complete the Issuer Survey. First, we recommend that the Board update the reporting tool to round all amounts to the nearest whole dollar. The current inclusion of cents is overly burdensome on issuer data entry and immaterial to the overall Issuer Survey analysis given the amounts involved. Second, the Board should update the reporting tool to justify the entries on the right side of the entry field rather than the left side of the entry field. This change would make issuer review of the entries easier as it matches the formatting approach of financial data programs such as Microsoft Excel. Third, we recommend streamlining the existing online format to eliminate multiple tabs by consolidating the responses into a single, user friendly spreadsheet (ideally one that could be saved as a work-in-progress). Our understanding is that the Board already makes a spreadsheet of the Issuer Survey available

to debit card issuers on an as-requested basis, and we would encourage the Board to leverage this existing tool to simplify the data entry process. Making these three changes would help mitigate the burden on issuers in completing the Issuer Survey.

III. The Board's Proposal to Eliminate Fixed/Variable Cost Categories

We strongly support the Board's proposal to remove the separation of Issuer costs into fixed and variable components. While the separation may have proven useful in the context of ongoing litigation related to the interchange fee standard, that litigation is concluded, and the burden and inaccuracy from these allocations far outweigh any potential ongoing usefulness.

As we have indicated in prior comments to the Board, in creating an arguably arbitrary dichotomy between fixed and variable costs, the Issuer Survey forces issuers to categorize cost data in an artificial manner. Our experience with our member institutions suggests that exercise requires issuers to spend significant time re-categorizing costs in a manner outside of an issuer's standard cost accounting practices. The result is arbitrary variation among issuer cost allocation that makes the data in the Issuer Survey less reliable for comparison and less appropriate for the Board to rely on in setting debit card industry policy.

Even were the arbitrary nature of the allocations and related issuer-by-issuer variation mitigated, the fixed/variable approach does not facilitate meaningful calculation of incremental costs, which is the Board's primary purpose in administering the Issuer Survey, unless the individual cost components constituting each category are reported on a line-item basis. In other words, the approach in the Issuer Survey to dividing authorization, clearance, and settlement costs into "fixed cost" and "variable cost" categories does not properly identify the full scope of "incremental" authorization, clearance, and settlement costs that the Board must consider under Section 920(a). The Issuer Survey's fixed cost/variable cost dichotomy should not be used as a method for determining debit card issuer costs that are "incremental" to the issuer's authorization, clearance, or settlement of debit card transactions. The concept of "incremental costs" encompasses costs beyond the "variable costs" of a debit card transaction and certainly beyond those costs that "vary directly with the number or value of transactions."⁶

Accordingly, we urge the Board to follow through with its proposal to eliminate the "fixed cost"/"variable cost" dichotomy.

⁶ As an example, the use of "variable cost," as defined by the Board in the Issuer Survey, fails to account for the incremental costs that debit card issuers incur as part of their constant investments in debit card authorization, clearing, and settlement systems to facilitate anticipated peak transaction volumes (e.g., Black Friday transaction volumes), and fails to recognize as incremental those debit card costs "fixed" by debit card issuers that could easily be negotiated to vary with transaction count or volume (e.g., through the payment of greater fixed fees to a third party transaction processor in exchange for lower, per transaction fees). In that regard, the fixed cost versus variable cost approach incentivizes issuers to seek high per transaction fees to the exclusion of fixed fee arrangements, which potentially limits the competitive environment among networks and service providers by eliminating pricing flexibility and compelling issuers to assume increased price risk by forgoing the economic certainty that accompanies fixed fee cost structures.

IV. Additional Enhancements to the Issuer Survey

Having the benefit of three Issuer Survey cycles, the Board now is in a position to evaluate the utility of the data collected versus the burden placed on issuers in responding to the Issuer Survey. As Section 920(a) permits the Board to collect information from issuers on a biannual basis, we believe the Issuer Survey should continue, but should collect data that (1) is complete and accurate, (2) reflects the changing global fraud environment, and (3) mitigates arbitrary debit card issuer allocations in determining net interchange fee revenue components.

- A. The Board’s definition of “costs of authorization, clearance, and settlement” in the Issuer Survey should be revised to include all costs related to a debit card issuer’s authorizing, clearance, and settlement activities.

Section 920(a) instructs the Board to “establish standards for assessing” whether the amount of an interchange transaction fee is reasonable and proportional to “costs incurred by the issuer with respect to the transaction.”⁷ To support this statutory mandate, the Issuer Survey must collect information across multiple categories of cost data, including costs broadly related to the authorization, clearance, or settlement of debit card transactions. The Board, therefore, should update the Issuer Survey to capture the cost elements described below so that, if the Board were to re-evaluate the interchange fee standard in the future, the Board would be in a position to include these additional costs in determining the appropriate interchange fee level. The Issuer Survey, as historically issued, fails to capture the full scope of costs that are properly included as authorization, clearance, or settlement costs related to debit card transactions and fails to elicit other cost data that, assuming the interchange fee standard is adjusted, rightly should be included by the Board in establishing standards for assessing recoverable interchange transaction fees under Section 920(a).

The Board’s definition of authorization, clearance, and settlement costs in the Issuer Survey is overly narrow and omits a number of costs incurred by debit card issuers in performing activities related to authorizing, clearing and settling debit card transactions. For example, receiving, responding to, and resolving customer inquiries with respect to debit card transactions; debit card transaction compliance costs (such as transaction reporting and the full cost of dispute resolution); debit card transaction non-sufficient funds handling costs; card production and delivery; a portion of costs related to establishing and maintaining debit account relationships; and other cost elements all relate to an issuer’s authorizing, clearing and settling of debit card transactions. Yet the Board historically has not included these items as “costs of authorization, clearance, and settlement costs” in the Issuer Survey and, in many cases, does not separately collect these cost elements through the Issuer Survey.

While considering the elimination of fixed and variable cost allocation, we urge the Board simultaneously to re-evaluate the definition of “costs of authorization, clearance, and settlement” in the Issuer Survey and to include additional cost elements within that definition.

- B. The Issuer Survey should be revised to facilitate the inclusion of certain international fraud losses in the issuer responses.

⁷ 15 U.S.C. § 1693o-2(a)(3)(A). In directing the Board’s rulemaking under Section 920(a), Congress only limited the Board’s consideration of “costs. . . which are not specific to a particular electronic debit transaction.” 15 U.S.C. § 1693o-2(a)(4)(B)(ii).

The need to capture and evaluate accurately the full costs associated with U.S. debit card transactions and, specifically, the fraud costs associated with U.S. debit card transactions is important to the proper application of Section 920(a). Fraud on U.S. accounts from the use of debit card information at international merchant locations, in many instances, is responsible for a material portion of an issuer's total fraud losses to U.S.-domiciled accounts. In these scenarios (as with most cross-border fraud losses), the critical data compromise step leading to the fraudulent debit card activity on the account frequently occurs in the country in which the debit card is issued (*i.e.*, *inside* the United States for U.S.-issued debit cards) even though the second step, the fraudulent transaction, is perpetrated at a merchant location outside the country where the account is held (*i.e.*, *outside* of the United States for debit cards issued on U.S.-domiciled accounts).⁸ For example, a U.S. debit cardholder who never has traveled outside the United States may have debit card information compromised in the United States and then have that information used to perpetrate fraud at a merchant location in another country, where retail practices and law enforcement may be less effective at preventing such fraudulent activity. For the reasons that follow, we respectfully request the Board to consider the inclusion of fraud losses on a U.S.-domiciled debit card account that are realized by issuers upon the unauthorized use of a debit card or debit card account at a merchant location outside the United States ("International Fraud Losses") as part of the data collected in the Issuer Survey.

1. Issuers incur material costs as a result of International Fraud Losses, even if an international merchant location is involved.

As with fraud losses occurring in the United States, issuers must account for International Fraud Losses as a cost of their U.S. debit card issuing business, and International Fraud Losses may account for a material portion of an issuer's total fraud losses on U.S.-domiciled debit card accounts. While International Fraud Losses, by definition, are attributable to fraudulent debit card transactions perpetrated at merchant locations outside the United States, their nexus to U.S.-domiciled debit card accounts and transactions, including accounts that may never have been accessed for legitimate debit card transactions outside the United States, justifies inclusion of associated cost data in the Issuer Survey.

Further, excluding International Fraud Losses also is at odds with the Board's approach to other cost data incurred outside of the United States that the Board collects via the Issuer Survey. For example, many issuers maintain back-up or co-located transaction processing systems (or pay their third party processors to maintain these systems) that include infrastructure located outside of the United States. Although these costs are incurred outside of the United States, they are an integral component of an issuer's cost of authorization, clearance, and settlement

⁸ A Federal Reserve Bank of Atlanta study indicates that a significant driver of this International Fraud Loss paradigm is the ability of a fraudster to engage in technological arbitrage to facilitate the fraud and take advantage of the differing fraud prevention approaches in different jurisdictions. See Douglas King, *Chip and PIN: Success and Challenges in Reducing Fraud*, RETAIL PAYMENTS RISK FORUM, FEDERAL RESERVE BANK OF ATLANTA 1 (January 2012) (noting that technological differences have shifted fraud "to different products (from credit to debit), other channels (from card-present to card-not present, or CNP), or other geographies (cross-border fraud)", available at www.frbatlanta.org/documents/rprf/rprf_pubs/120111_wp.pdf). The study also notes the significant increase in cross-border fraud, particularly due to differences between EMV and mag stripe technology and related counterfeit cards. *Id.* at 22. Accordingly, Issuers expect International Fraud Losses and associated costs only to increase as fraudsters and cross-border information flows become more sophisticated.

under domestic debit card programs. Similarly, call centers used to facilitate fraud prevention and customer service may be located outside of the United States, but these costs also are collected in the Issuer Survey because they relate to U.S. debit card transactions. We submit that International Fraud Losses should be included in Issuer Survey because they represent a real, often significant cost to Issuers related to their U.S.-domiciled debit card accounts and transactions. Moreover, for reasons discussed below, consideration of these International Fraud Losses is consistent with the jurisdictional approach of Section 920(a).

2. The Board’s authority to regulate electronic debit transactions does not preclude the Board from considering elements that contribute to issuers’ U.S. debit card costs, such as International Fraud Losses connected to U.S. debit cards, even where components of those cost elements arise outside the United States.

In issuing Regulation II, the Board construed the scope of its regulatory authority under Section 920(a) as being limited to the United States. Consequently, Regulation II limits both the definition of “account” to accounts “located in the United States”⁹ and the definition of “electronic debit transaction” to “use of a debit card by a person as a form of payment in the United States.”¹⁰ We agree that the Board’s authority to *regulate debit card interchange fees and routing* is limited to debit card activity in the United States. However, we do not believe that this limitation on the Board’s authority to *regulate* activity outside the U.S. precludes the Board’s consideration of Issuer debit card costs associated with U.S.-domiciled accounts and collection of associated data in the Issuer Survey.

Indeed, the Board’s own discussion in releasing Regulation II confirms that the Board’s geographic considerations were focused entirely on the scope of the Board’s authority to regulate, and not the costs the Board could collect and consider in establishing those regulations: “Accordingly, limiting the scope of this part to transactions initiated at United States merchants to debit accounts in the United States avoids both extraterritorial application of this part as well as conflicts of laws.”¹¹ As the Board indicated, the geographic concern centered on the Board’s ability to promulgate a regulation that purported to have extraterritorial applicability and that potentially would create conflicts of law without any mechanism for resolving them.¹² It does not follow, however, that because the Board limited the scope of its authority to regulate, the Board also is precluded from considering costs simply because an element of those costs, which neither could have arisen nor been incurred by an Issuer but for the issuance of a U.S.-domiciled debit card, occurs outside of the United States.

The Board’s rulemaking to implement the small issuer exemption in Section 920(a) underscores that the Board recognizes its ability to consider non-U.S. factors under Section 920(a) and Regulation II notwithstanding the limitations on the scope of the Board’s authority to regulate. Section 920(a)(6)(A) provides that the interchange transaction fee limitations do not apply to

⁹ 12 C.F.R. § 235.2(a) (2011).

¹⁰ 12 C.F.R. § 235.2(h) (2011).

¹¹ Regulation II—Debit Card Interchange Fees and Routing, 76 Fed. Reg. 43394, 43406 (July 20, 2011).

¹² As the Board noted, Section 920 of the Electronic Fund Transfer Act does not contain a conflicts of laws provision. See *id.* (indicating that “the EFTA provides no indication (such as a conflicts of law provision) that Congress intended for Section 920 to apply to international transactions”).

“any issuer that, together with its affiliates, has assets less than \$10,000,000,000.”¹³ In determining the scope of affiliates that should be considered when evaluating issuer asset size, the Board concluded that foreign affiliates of issuers should be included because “the Board believes it is appropriate to consider the total resources available to an issuer when determining whether it is ‘small.’”¹⁴ Just as the Board determined that consideration of assets of affiliates located outside of the United States is both permissible and important to determining whether an Issuer of debit cards associated with U.S. domiciled accounts should qualify for the small issuer exemption, we request that the Board consider the costs of International Fraud Losses when evaluating issuers’ U.S. debit card costs.

- C. In Sections II, III, IV, and V of the Issuer Survey, Question 6 should be revised to more accurately capture deductions from gross interchange fee revenue.

Question 6 of the Issuer Survey, which is asked in Sections II, III, IV, and V, requires debit card issuers to provide information on (1) total (i.e., gross) interchange fee revenue, (2) interchange fees repaid as a result of chargebacks, and (3) interchange fees repaid as a result of returns. Adding these elements together allows the Board to arrive at an issuer’s “net” interchange fees received amount. The challenge with the current approach in the Issuer Survey, however, is that the payment networks providing the interchange fee information do not readily provide a breakdown of chargebacks and returns. As a result, debit card issuers are forced to allocate amounts, in some cases arbitrarily, between 6a.1 (chargebacks) and 6a.2 (returns), and this allocation only will become more arbitrary as the boundaries between a chargeback and return are further blurred (e.g., as a result of online, tokenized transaction environment).

Based on the foregoing, we would encourage the Board to revise question 6 to combine 6a.1 and 6a.2 into a single line-item covering interchange fees reimbursed to acquirers either for chargebacks or returns. Taking this approach allows the Board to account for interchange fees received on both a gross and net basis, but eliminates the need for debit card issuers to make increasingly artificial allocations when completing the Issuer Survey.

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¹³ 15 U.S.C. § 1693o-2(a)(6) (2011).

¹⁴ Regulation II—Debit Card Interchange Fees and Routing, 76 Fed. Reg. 43394, 43420 (July 20, 2011).

Thank you for considering the views expressed in this letter. We appreciate the opportunity to share our views and would be pleased to discuss any of them further at your convenience. Please feel free to contact Rob Hunter, Deputy General Counsel and Executive Managing Director of The Clearing House Association (Rob.Hunter@theclearinghouse.org, (336) 769-5314), who has been coordinating the participation in this letter of all the Associations listed below.

Sincerely,

_____/s/
Nessa Feddis
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_____/s/
Robert C. Hunter
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Richard Foster
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_____/s/
Brent Tjarks
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Midsize Bank Coalition of America

_____/s/
B. Dan Berger
President/CEO,
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APPENDIX A

The American Bankers Association

The American Bankers Association (“ABA”) represents banks of all sizes and charters and is the voice for the nation’s \$13 trillion banking industry and its 2 million employees. ABA’s extensive resources enhance the success of the nation’s banks and strengthen America’s economy and communities. Learn more at www.aba.com.

The Clearing House

Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world’s largest commercial banks, which employ over 2 million people and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner banks on a variety of systemically important banking issues. The Clearing House Payments Company L.L.C. provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated clearing-house, funds-transfer, and check image payments made in the U.S. See The Clearing House’s web page at www.theclearinghouse.org.

The Consumer Bankers Association

The Consumer Bankers Association (“CBA”) is the only national financial trade group focused exclusively on retail banking and personal financial services—banking services geared toward consumers and small businesses. As the recognized voice on retail banking issues, CBA provides leadership, education, research, and federal representation on retail banking issues. CBA members include most of the nation’s largest bank holding companies as well as regional and super-community banks that collectively hold two-thirds of the industry’s total assets.

The Credit Union National Association

The Credit Union National Association (“CUNA”) is the largest credit union advocacy organization in the country, representing state and federal credit unions, which serve about 97 million members. CUNA benefits its members by partnering with state credit union leagues to provide proactive legislative, regulatory, and legal representation, the latest information on credit union issues, economic reports, regulatory analyses and advocacy, compliance assistance, grassroots and political advocacy efforts, and education. Visit www.cuna.org for more information about CUNA.

The Financial Services Roundtable

The Financial Services Roundtable (“FSR”) represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America’s economic engine, accounting directly for \$92.7 trillion in managed assets, \$1.1 trillion in revenue, and 2.4 million jobs.

The Independent Community Bankers of America

The Independent Community Bankers of America® (ICBA), the nation's voice for nearly 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services. ICBA members operate approximately 23,600 locations nationwide, employ almost 300,000 Americans and hold more than \$1.2 trillion in assets, \$1 trillion in deposits and \$750 billion in loans to consumers, small businesses and the agricultural community. For more information, visit www.icba.org.

The Mid-Size Bank Coalition of America

The Mid-Size Bank Coalition of America (MBCA) is a non-partisan economic and financial policy alliance comprising mid-size banks doing business in the United States. The MBCA was founded in 2010 for the purpose of informing policymakers of the perspectives of mid-size banks regarding financial regulatory matters and business conditions of the markets where we operate. The MBCA's 71 member banks average less than \$20 billion in size and serve customers and communities through more than 10,000 branches in all 50 states, the District of Columbia, and three U.S. territories. Our members in the aggregate maintain nearly \$1 billion in deposits and approximately \$875 billion in total loans, while employing more than 188,000 individuals across the United States.

The National Association of Federal Credit Unions

Founded in 1967, the National Association of Federal Credit Unions ("NAFCU") exclusively represents the interests of federal credit unions before the federal government. Membership in NAFCU is direct; no state or local leagues, chapters or affiliations stand between NAFCU members and its headquarters in Arlington, VA. NAFCU provides its members with representation, information, education, and assistance to meet the constant challenges that cooperative financial institutions face in today's economic environment. NAFCU represents nearly 800 federal credit unions, accounting for 63.9 percent of total FCU assets and 58 percent of all FCU member owners. NAFCU represents many smaller credit unions with limited operations as well as many of the largest and most sophisticated credit unions in the nation, including 82 out of the 100 largest FCUs. Learn more at www.nafcu.org.