

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Federal Reserve Board Publishes Comparative Information on Average Debit Card Interchange Fees

The Federal Reserve Board on May 1, 2012 published comparative information on the average debit card interchange fees that each payment card network charges acquirers (and indirectly merchants) and provides to debit card issuers.

The Board's Regulation II provides that an issuer subject to the interchange fee standard (a non-exempt issuer) may not receive an interchange fee that exceeds 21 cents plus 0.05 percent multiplied by the value of the transaction, plus a 1-cent fraud-prevention adjustment, if eligible. The regulation does not apply to certain government-administered debit cards, certain other prepaid cards, or debit card issuers with consolidated assets of less than \$10 billion. The interchange fee standard became effective on October 1, 2011.

As part of the rulemaking process, the Board collected 2009 data from payment card networks. The aggregate data provided by the networks indicated that the average interchange fee for all issuers was 43 cents. Data collected after the rule took effect show that the average interchange fee per transaction received by non-exempt issuers in the fourth quarter of 2011 declined substantially to 24 cents while the average interchange fee received by exempt issuers was 43 cents.

The large disparity that existed in 2009 between fees charged on debit card transactions requiring a signature and fees charged on transactions requiring a personal identification number (PIN) narrowed substantially, especially for non-exempt issuers.

The Board plans to collect and publish this fee information annually. The information may be useful to issuers (both exempt and non-exempt) and merchants in choosing payment card networks in which to participate and to policymakers in assessing the effect of Regulation II on the level of interchange fees received by exempt and nonexempt issuers over time.

The Board's findings and a table that contains comparative information on the average debit card interchange fees each payment card network provides to issuers are attached.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
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Attachment: [Average Debit Card Interchange Fee by Payment Card Network \(PDF\)](#)
[Average Debit Card Interchange Fee by Payment Card Network \(Excel\)](#)