

Senate Declines to Delay Cap on Debit Fees

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On June 8, the Senate fell six votes short of the 60 votes needed to postpone for one year the implementation of a ceiling on the debit fees which banks charge to merchants. The Durbin amendment to the Dodd-Frank financial reform legislation would cap these fees, and [Senator Durbin notes](#) that a final rule is expected to be unveiled within a matter of days. Merchants have encouraged passage of the rule, which [could cut the average 44 cent fee](#) down to the Fed's proposed level of 12 cents.

As reported in an [earlier post](#), the Durbin amendment has drawn an ongoing challenge in federal district court in South Dakota alleging that it violates small banks' constitutional right to equal protection. Now that the Senate has declined to slow down the rollout of the rule, the federal court challenge is likely to become a higher-stakes battle accompanied by greater attention from industry participants.