



Innovative Payments Association

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May 28, 2026

Submitted Electronically at: Regulations.gov.

The Honorable Jonathan Gould
Chief Counsel's Office, Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Re: Interim Final Rule - National Bank Non-Interest Charges and Fees [Docket ID OCC-2026-0430] and Order Preempting the Illinois Interchange Fee Prohibition Act [Docket ID OCC-2026-0431]

Dear Comptroller Gould:

This letter is submitted to the Office of the Comptroller of the Currency (the “OCC”) on behalf of the Innovative Payments Association (“IPA”),¹ in response to the OCC’s [Interim Final Rule on National Bank Non-Interest Charges and Fees \[Docket ID OCC-2026-0430\]](#) and [Interim Final Order Preempting the Illinois Interchange Fee Prohibition Act \[Docket ID OCC-2026-0431\]](#), published in the Federal Register on April 29, 2026 (the “Proposals”).

The purpose of the Proposals is to clarify that national banks have broad authority under the National Bank Act to assess non-interest charges and fees, including interchange fees from credit and debit card transactions, even when these fees are set by third parties (and not by the individual national bank). Accordingly, the interim final order concludes that the [National Bank Act](#) and the [Home Owners Loan Act](#) preempt both the interchange fee prohibition and the data use limitations under [Illinois Interchange Fee Prohibition Act](#) (“IFPA”), with respect to national banks and federal savings associations. The OCC stated that neither of these types of financial institutions are subject to nor required to comply with the IFPA. The IFPA, which is scheduled to take effect on July 1, 2026, bans interchange fees on the tax or gratuity portions of credit card and debit card transactions and imposes restrictions on the use of data obtained as part of card transactions. The Proposals are scheduled to go into effect prior to July 1st, on June 30th.

Our members appreciate the opportunity to provide comments on this critically important topic. The IPA’s members have long been at the forefront of millions of American customers by

¹ The IPA is a trade organization that serves as the leading voice of the electronic payments sector, including prepaid products, mobile wallets, and person-to-person (P2P) technology for consumers, businesses, and governments at all levels. The IPA’s goal is to encourage efficient use of electronic payments, cultivate financial inclusion through educating and empowering consumers, represent the industry before legislative and regulatory bodies, and provide thought leadership. The comments made in this letter do not necessarily represent the position of all members of the IPA.



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bringing innovative and inclusive financial services and products to market. These include traditional deposit account products, prepaid accounts, credit products, mobile wallets, person-to-person transfer services, earned wage access services, and other electronic and digital payments services. Many of these offerings, particularly free or low-cost banking services, are sustained in part by interchange revenue, which enables broad consumer access without punitive fees.

At the same time, developing and offering these products requires navigating the increasingly complex state and federal regulatory framework for financial products in the United States, which itself often involves determining how best to apply existing statutory schemes and requirements to products utilizing newly developed and emerging technologies.²

As outlined above, the IFPA prohibits charging or receiving interchange fees on the tax and gratuity portions of payment card transactions if the merchant informs the acquiring bank of the amount of these taxes and gratuities. The IFPA would further restrict issuers, payment card networks, acquiring banks, and processors from increasing the rate or amount of fees on the portion of the transaction subject to interchange to circumvent the intent or effect of the law. Violations of the foregoing subject the entity to a civil penalty of \$1,000 per transaction and require the issuer to refund to the merchant any interchange fee collected on taxes or gratuities.

The IFPA also imposes restrictions on the use of payment card transaction data. In brief, the law would prevent networks and processors from using or transferring data from a card transaction except for limited purposes tied to transaction settlement. The IFPA's statutory restrictions create substantial operational and compliance concerns amongst our members because modern card transactions rely on the rapid sharing of data among the payments value chain, including issuers, acquiring banks, networks, processors, fraud-monitoring vendors, and other service providers. Limiting the sharing of payment data would significantly impair how national banks and federal savings associations operate card programs and manage payment risk. More broadly, absent the OCC's action, the IFPA risks undermining the uniform, nationwide framework on which the payment system depends, creating fragmentation that federal banking law is intended to prevent.

² A non-exhaustive list of the regulatory framework covering our members' products includes:

- Interagency Guidance on Third Party Relationships
- Interagency Guide for Community Banks on Conducting Due Diligence on Fintech Companies
- The CFPB's prepaid account rule
- The Bank Service Company Act
- FDIC's General Counsel Opinion No. 8
- FinCEN's Prepaid Access Rule
- FDIC Complex Bank Supervision
- OCC Office of Financial Technology
- State Based Licensing, laws, and regulation



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Beyond these concerns, the IFPA also raises broader issues for consumers and the functioning of the payments system, issues that further underscore the importance of the OCC's action. Consumers and retailers benefit from a payment system that is uniform nationwide, and which enables safe, seamless, and widely accepted card payments. Cards are one of the most universally accepted ways to transact and are used every day by millions of consumers to pay for goods and services worldwide. Interchange helps power this secure and reliable system, supporting important features for consumers such as fraud monitoring, zero-liability protections, and rewards programs by reflecting the cost and risk of processing the entire transaction amount. Together, these features enable convenient and secure retail transactions while helping protect consumers at the point of sale. Carving out portions of the interchange fee that applies to the transaction does not reduce the underlying costs of enabling the card payment but instead introduces complexity and inconsistency into a system that depends on uniformity and scale.

The IPA welcomes the OCC's Proposals and unequivocally supports them being finalized and made effective as soon as possible. Thus, we view the OCC's Proposals as consistent with federal law, prior OCC amicus filings defending federal preemption, and reaffirming preexisting and longstanding national bank powers granted by statute. In short, if the OCC did not release the Proposals, the IFPA could expose the payment card system to immeasurable liability, cause confusion in the marketplace, and likely lead to a patchwork of state laws and regulations that directly contradict federal law.

The need for federal preemption is further underscored by the growing trend of state-level efforts to regulate interchange fees. Absent preemption, these measures risk creating a fragmented and inconsistent regulatory landscape where national banks would need to navigate widely varying (and potentially conflicting) obligations across more than 50 domestic jurisdictions (the 50 States, the District of Columbia and the U.S. Territories).

Accordingly, as you may know, various states are considering legislation similar to IFPA. For example, just earlier this month, the Colorado Legislature passed a bill (Senate Bill 26-134) that is similar to the Illinois law. SB 26-134 would restrict interchange from being assessed on the tax portion of a credit card or debit card transaction. The U.S. payments system is inherently interstate in nature, and its ability to function efficiently depends on uniform standards that are not segmented along state lines. If multiple states adopt differing approaches to interchange regulation or transaction data usage, national banks and their partners would be forced to re-engineer payment processing systems on a state-by-state basis, which would impose massive operational barriers to offering a cohesive national banking product.

The Proposals are essential not only to address the specific issues raised by the IFPA, but also to prevent the emergence of a broader, inconsistent state-by-state regulatory regime governing the national payments network. In short, state-specific mandates risk economic harm and insert instability into the banking system. We urge the OCC to consider preemption determinations for similar laws that may arise.



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As noted above, the Proposals provide much needed clarity regarding the IFPA and if finalized would assist industry in ensuring that the current system and structure for payment transactions will remain vibrant, efficient, and beneficial to consumers.

The IPA appreciates your consideration of these comments. If you have any questions or wish to discuss this letter, please do not hesitate to contact me at: btate@ipa.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Tate', is written over a horizontal line.

Brian Tate
President and CEO
IPA
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