

## American Association of Motor Vehicle Administrators



Neil D. Schuster  
President and CEO

Charles O'Donnell, Chair of the Board  
Registrar of Motor Vehicles  
New Brunswick Department of Public Safety

February 23, 2010

The Honorable Christopher J. Dodd  
Chairman  
Committee on Banking, Housing  
and Urban Affairs  
Washington, DC 20510

The Honorable Richard Shelby  
Ranking Member  
Committee on Banking, Housing  
and Urban Affairs  
Washington, DC 20510

Dear Chairman Dodd and Ranking Member Shelby:

On behalf of the American Association of Motor Vehicle Administrators (AAMVA), I urge you to include language addressing interchange fees in financial regulatory reform legislation currently being contemplated by the Committee on Banking, Housing and Urban Affairs. State motor vehicle agencies and other state agencies are experiencing unprecedented financial strain today, as we seek to control costs where possible. However, the issue of ever-increasing interchange “swipe” fees, the amount we pay to process debit and credit card transactions, are continuing to rise despite our best attempts to mitigate them. We ask that you include interchange reforms in any financial regulatory reform package passed out of the Committee.

AAMVA is a non-profit association representing motor vehicle agency administrators and senior law enforcement officials in the states, provinces and territories of the United States and Canada. Our members are the recognized experts who administer the laws governing motor vehicle operations, driver credentialing, and highway safety enforcement.

Consumer preferences have changes over the past few decades, with more Americans today making payments with credit and debit cards than with cash and check than at any time ever before. Motor vehicle agencies typically accept credit and debit card payments for services such as the issuance of driver’s licenses and identification cards, vehicle registrations, and license plate purchases, to name a few. While our customers certainly appreciate the convenience of electronic transactions, few understand that the cost of accepting credit and debit card payments for motor vehicle agencies are higher today than ever before, and that these fees compound the current budget crisis many of our state agencies face.

During the recession consumers have made a dramatic switch from credit cards to debit cards, and while we certainly welcome the move, interchange rates on debit transactions continue to rise and are nearing those of traditional credit cards. Because debit cards are nothing more than an electronic check, AAMVA believes that debit transactions, like traditional paper checks, should settle at par.

In closing, AAMVA strongly believes that interchange reforms must be included in any financial regulator reform package considered by the Committee. Thank you for giving AAMVA and its members the opportunity to comment on this important issue. If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil D. Schuster". The signature is fluid and cursive, with a large, stylized initial "N".

Neil D. Schuster  
AAMVA President and CEO

Cc: Members of the Committee on Banking, Housing and Urban Affairs