

Introduction

The Wall Street Reform and Consumer Protection Act of 2010 (also known as Dodd-Frank) was signed by President Obama on July 21, 2010. In an effort that began in 2009, the act contained multiple provisions to address the perceived need to implement a number of financial industry reforms.

One of these reforms focuses on the fees charged for payment card transactions, whether a discount rate or interchange fee. The specifics regarding the reforms can be found in Section 1075 ([Dodd-Frank](#)) entitled Reasonable Fees and Rules for Payment Card Transactions.

Section 1075 of Dodd-Frank amends the Electronic Funds Transfer Act by renumbering two sections and adding section 920. In general, this new section gives the Federal Reserve authority in regard to the establishment of reasonable interchange fees charged by card issuers (the financial institution that issues the card) and further directs the Federal Reserve to prescribe rules pertaining to reasonable fees within nine months of the enactment of the legislation.