

5/29/2026

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: Docket ID OCC-2026-0430 - OCC Interim Final Rule on “National Bank Non-Interest Charges and Fees”

Docket ID OCC-2026-0431 - OCC Interim Final Order on “Order Preempting the Illinois Interchange Fee Prohibition Act”

The National Grocers Association (NGA) appreciates the chance to submit this comment in response to the Office of the Comptroller of Currency's (OCC) interim final rule revising 12 C.F.R. § 7.4002 and the related interim final order concerning the application of the Illinois Interchange Fee Prohibition Act (IFPA) to national banks.

The NGA represents more than 21,500 independent retail grocery stores and wholesalers nationwide, generating over \$350 billion in sales and \$4.7 billion in federal tax revenue annually and employing nearly 1.5 million American workers. Our members include family-owned, privately held, or employee-owned full-service supermarkets, as well as the wholesale distribution companies that serve them. While our membership spans the entire country, it is important to note that over half of our members are single store operators. The success of Main Street supermarkets is directly linked to the economic health of the communities they serve. Given that interchange fees are embedded in nearly all card transactions, the OCC's interim final rule would have widespread impacts on grocers, their customers, and competition throughout the economy.

We strongly oppose the OCC's interim final rule and order and urge its withdrawal. The rule represents a clear break from longstanding federal banking policy, which has historically grounded fee-setting authority under the National Bank Act in competition among banks. By explicitly authorizing national banks to receive fees established through third parties, the OCC departs from that principle and endorses fee structures that are not competitively determined. Preserving this system would reduce competition and drive higher costs for merchants and consumers.

Independent grocers operate in a highly competitive marketplace where each retailer independently sets prices while navigating intense market pressures and razor-thin margins. Competition is good for both consumers and the American economy as a whole. The OCC should not seek to insulate national banks from competition, however that is exactly what the interim final rule and order will do.

Interchange fees are charges paid by merchants each time a consumer uses a credit or debit card. These fees are not set through negotiation but are instead established centrally by card networks and collected by issuing banks. Because grocers must accept card payments, they have limited ability to avoid or negotiate these fees.

Independent grocers operate on a 1-2% profit margin and have very little ability to absorb increasing costs. As a result, interchange fees are ultimately passed on to consumers through higher prices. For independent grocers, interchange fees are their second or third highest expense, even eclipsing utility costs in some cases.

A recent analysis estimated that card networks and card-issuing banks collected nearly \$200 billion in credit and debit card interchange fees from merchants of all stripes in 2025, meaning that American families paid over \$1,200 in higher prices because of these interchange fees.

Current OCC regulations properly recognize that national banks may charge fees only when those fees are independently established by each institution in a competitive market. Existing 12 C.F.R. § 7.4002 makes clear that fees must be “arrived at by each bank on a competitive basis,” rather than through agreements, understandings, or coordinated discussions among banks or their representatives. The regulation also reflects that decisions regarding how fees are calculated and assessed are business judgments to be made individually by each bank, consistent with safe and sound banking practices. This framework has long reinforced the principle that banks should compete with one another on pricing and fee structures.

The interim final rule drastically departs from this approach by allowing fees to be “set by or in consultation with third parties.” In practice, this authorizes centralized fee-setting arrangements, under which banks no longer independently determine the fees they impose or receive.

Additionally, the OCC’s actions raise significant concerns regarding proper administrative process. The issuance of the interim final rule and order follows litigation over the IFPA, in which a federal district court concluded that the National Bank Act does not preempt Illinois’ restriction on interchange fees applied to taxes and gratuities. In reaching this decision, the court emphasized that interchange fees are not set through competition among individual banks but instead are established centrally by payment card networks such as Visa and Mastercard and applied uniformly across issuing banks. As a result, banks do not compete over the interchange fees they receive.

The OCC participated in this litigation and advanced preemption arguments that the district court ultimately rejected. Rather than allowing the appellate process to proceed, the OCC has decided to circumvent the process by issuing an interim final rule and order that seeks to reshape the governing legal framework while the matter remains under judicial review.

The OCC has not provided adequate justification for bypassing the standard notice-and-comment requirements of the Administrative Procedure Act, nor has it offered a sufficient factual or legal basis for the sweeping changes it proposes. As a result, the procedural deficiencies underlying

the interim final rule and order raise serious questions about their ability to withstand judicial scrutiny.

Beyond process concerns, the interim final rule advances poor and damaging policy by effectively approving collective fee-setting arrangements among large financial institutions. It eliminates the requirement that banks independently set fees in a competitive market, reversing the OCC's longstanding commitment to competition in bank pricing.

The implications of this flawed rulemaking extend beyond interchange fees and could affect a broad range of consumer charges, including late fees, overdraft and over-limit fees, annual card fees, and ATM fees. By weakening expectations for competitive pricing, the rule risks encouraging fee standardization that harms consumers and merchants alike.

The OCC's interim final rule and order are inconsistent with President Trump's call to address the "swipe fee" burden by instead preserving and endorsing a system in which card networks centrally set interchange fees that banks uniformly charge merchants. Rather than promoting competition or lowering costs for consumers, these actions reinforce a pricing structure that increases the cost of accepting card payments and ultimately contributes to higher prices across the economy.

Historically, the OCC has appropriately recognized that bank fees should be determined through independent competition among institutions. The interim final rule departs from this principle, replacing it with a framework that permits centralized fee-setting arrangements that are at odds with free market principles and harmful to both consumers and merchants.

For these reasons, the OCC should withdraw the interim final rule and related order.

Respectfully submitted,



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