

CREDIT CARD COMPETITION ACT

NLBMDA PRIORITY ISSUE

H.R. 7035

S. 3623

EXECUTIVE SUMMARY

The **Credit Card Competition Act of 2026 (CCCA)** is a bipartisan solution to the growing burden that excessive credit card swipe fees place on LBM dealers and other Main Street retailers. LBM dealers routinely process high-dollar transactions for contractors, builders, and homeowners, making excessive swipe fees particularly acute for our industry. Visa and MasterCard control 80% of the U.S. credit card market and hold a duopoly over credit card processing, charging merchants more than 2% of the customer's total bill every time a credit card is used to make a purchase. CCCA fixes a broken market that has allowed the nation's largest financial institutions and global card networks to block competition and unfairly profit at the expense of small retailers and their customers.

Currently, Visa and Mastercard set the swipe fees charged by banks that issue their credit cards and block transactions from being processed over other networks that could do the same job with lower fees. There are a dozen competitive networks that could process credit card transactions right now, but Visa and Mastercard have blocked them from entering the market. A lack of competition results in higher fees, with credit card fees increasing from 2.00% to more than 2.36% on average since 2010. Swipe fee revenues have more than doubled over the past decade and soared to a record **\$198 billion in 2025**, up from \$187 billion in 2024 and \$172 billion in 2023.

CCCA directs the nation's largest financial institutions to allow credit cards they issue to be processed over at least two unaffiliated payment networks, such as Visa or Mastercard alongside a competing network like NYCE, STAR, Shazam, or Discover. These networks already process billions of secure debit and ATM transactions each day. Banks would choose which networks to enable, while merchants would decide which network to use, introducing competition that is expected to save businesses and consumers more than \$15 billion annually.

- Visa and Mastercard set higher swipe fee rates for small businesses than big businesses.
- CCCA exempts banks and credit unions with under \$100 billion in assets. Only 30 of the largest banks and one credit union are above that threshold. The biggest banks issue 85% of credit cards.
- Spending on goods and services generated by credit, debit and prepaid cards issued in the US reached \$10 trillion for the first time in 2025. Higher card usage translates to higher fees for dealers.
- Competition on credit cards will not end rewards. Visa and Mastercard don't give rewards; the banks that issue cards do. Those banks will still offer rewards to incentivize customers to use their cards.
- Routing competition is proven to work because it happens today on debit cards domestically and overseas on credit cards.

POLICY RECOMMENDATIONS

End excessive credit card swipe fees for small businesses by allowing retailers to access more credit card payment network options.

REQUEST

NLBMDA is asking lawmakers to cosponsor and pass the Credit Card Competition Act of 2026 (H.R. 7035 / S. 3623) to curb excessive interchange fees and ensure a fairer, more competitive payments system for America's LBM dealers.