



CREDIT UNION CALL TO ACTION

Important Interchange Action Alert!

In 2024, Illinois legislators passed the Interchange Fee Prohibition Act (IFPA). The law prohibits the collection of interchange on the tax and gratuity portions of an electronic transaction. It is scheduled to take effect on July 1, 2025.

While national banks and out-of-state banks are protected from this law by a preliminary injunction issued by the Northern District Federal Court in Illinois, credit unions do not have similar relief in place. Therefore, the implementation of this law is unfairly burdening our state chartered credit unions, as well as all credit unions across the country.

Violations of the IFPA will result in a fine of \$1000 per transaction. This severe penalty threatens to devastate credit union operations for institutions of all asset sizes that simply cannot face the risk of such severe penalties for any violation of the Act, especially given that systems do not exist to account for the new interchange calculation proposed under IFPA. If this law goes into effect, and unfairly disadvantages credit unions, an overwhelming majority of credit unions report that they would be forced to terminate their card offerings. This means that credit union members would be left with a financial institution that cannot offer them a credit or debit card – which is unacceptable in today's environment. These consumers would likely take their financial business elsewhere – potentially to the national or out-of-state megabanks that aren't subject to this law.

Passage of the IFPA did not take into account the complexities of the global payments system, and the ultimate negative impact that will result from implementation. Consumers and businesses benefit from the secure and efficient electronic payments system that exists today, and the IFPA will change card processing as we know it.

Our ask is simple: REPEAL the Illinois Interchange Fee Prohibition Act! Preserve your local credit unions and their ability to offer consumer friendly financial products and services. Over 4 million Illinois consumers rely upon credit unions for their financial wellbeing.

Please contact your state legislators today! [Legislator Lookup](#)



Illinois
Credit Union League