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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Electronic Fund Transfer Act to require the Board of Governors of the Federal Reserve system to prescribe regulations relating to network competition in credit card transactions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GOODEN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Electronic Fund Transfer Act to require the Board of Governors of the Federal Reserve system to prescribe regulations relating to network competition in credit card transactions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit Card Competi-
5 tion Act of 2025”.

1 **SEC. 2. COMPETITION IN CREDIT CARD TRANSACTIONS.**

2 (a) IN GENERAL.—Section 921 of the Electronic
3 Fund Transfer Act (15 U.S.C. 1693o–2) is amended—

4 (1) in subsection (b)—

5 (A) by redesignating paragraphs (2), (3),
6 and (4) as paragraphs (3), (4), and (5), respec-
7 tively; and

8 (B) by inserting after paragraph (1) the
9 following:

10 “(2) COMPETITION IN CREDIT CARD TRANS-
11 ACTIONS.—

12 “(A) NO EXCLUSIVE NETWORK.—

13 “(i) IN GENERAL.—Not later than 1
14 year after the date of enactment of the
15 Credit Card Competition Act of 2025, the
16 Board shall prescribe regulations providing
17 that a covered card issuer or payment card
18 network shall not directly or through any
19 agent, processor, or licensed member of a
20 payment card network, by contract, re-
21 quirement, condition, penalty, technological
22 specification, or otherwise, restrict the
23 number of payment card networks on
24 which an electronic credit transaction may
25 be processed to—

26 “(I) 1 such network;

2 if—

19 “(B) No ROUTING RESTRICTIONS.—Not
20 later than 1 year after the date of enactment of
21 the Credit Card Competition Act of 2025, the
22 Board shall prescribe regulations providing that
23 a covered card issuer or payment card network
24 shall not—

1 “(i) directly or through any agent,
2 processor, or licensed member of the net-
3 work, by contract, requirement, condition,
4 penalty, or otherwise—

5 “(I) inhibit the ability of any per-
6 son who accepts credit cards for pay-
7 ments to direct the routing of elec-
8 tronic credit transactions for proc-
9 essing over any payment card network
10 that—

11 “(aa) may process such
12 transactions; and

13 “(bb) is not on the list es-
14 tablished and updated by the
15 Board under subparagraph (D);

16 “(II) require any person who ac-
17 cepts credit cards for payments to ex-
18 clusively use, for transactions associ-
19 ated with a particular credit card, an
20 authentication, tokenization, or other
21 security technology that cannot be
22 used by all of the payment card net-
23 works that may process electronic
24 credit transactions for that particular
25 credit card; or

1 “(III) inhibit the ability of an-
2 other payment card network to handle
3 or process electronic credit trans-
4 actions using an authentication,
5 tokenization, or other security tech-
6 nology for the processing of those
7 electronic credit transactions; or
8 “(ii) impose any penalty or disadvan-
9 tage, financial or otherwise, on any person
10 for—
11 “(I) choosing to direct the rout-
12 ing of an electronic credit transaction
13 over any payment card network on
14 which the electronic credit transaction
15 may be processed; or
16 “(II) failing to ensure that a cer-
17 tain number, or aggregate dollar
18 amount, of electronic credit trans-
19 actions are handled by a particular
20 payment card network.
21 “(C) APPLICABILITY.—The regulations
22 prescribed under subparagraphs (A) and (B)
23 shall not apply to a credit card issued in a 3-
24 party payment system model.

1 “(D) DESIGNATION OF NATIONAL SECU-
2 RITY RISKS.—

24 “(E) DEFINITIONS.—In this paragraph—

1 “(i) the terms ‘card issuer’ and ‘cred-
2 itor’ have the meanings given the terms in
3 section 103 of the Truth in Lending Act
4 (15 U.S.C. 1602);

5 “(ii) the term ‘covered card issuer’
6 means a card issuer that, together with the
7 affiliates of the card issuer, has assets of
8 more than \$100,000,000,000;

9 “(iii) the term ‘credit card issued in a
10 3-party payment system model’ means a
11 credit card issued by a card issuer that
12 is—

13 “(I) the payment card network
14 with respect to the credit card; or

15 “(II) under common ownership
16 with the payment card network with
17 respect to the credit card;

18 “(iv) the term ‘electronic credit trans-
19 action’—

20 “(I) means a transaction in
21 which a person uses a credit card; and

22 “(II) includes a transaction in
23 which a person does not physically
24 present a credit card for payment, in-
25 cluding a transaction involving the

1 entry of credit card information onto,
2 or use of credit card information in
3 conjunction with, a website interface
4 or a mobile telephone application; and
5 “(v) the term ‘licensed member’ in-
6 cludes, with respect to a payment card net-
7 work—

1 accepts credit cards for payments;

2 and

12 (b) EFFECTIVE DATE.—Each set of regulations pre-
13 scribed by the Board of Governors of the Federal Reserve
14 System under paragraph (2) of section 921(b) of the Elec-
15 tronic Fund Transfer Act (15 U.S.C. 1693o-2(b)), as
16 amended by subsection (a) of this section, shall take effect
17 on the date that is 180 days after the date on which the
18 Board prescribes the final version of that set of regula-
19 tions.