



**International Bancshares
Corporation**

July 30, 2025

Via email: publiccomments@frb.gov

Board of Governors of the Federal Reserve System
Ms. Ann E. Misback
Secretary
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Request for Comment Regarding Proposed Agency Information Collection Activities (FR 3064; OMB No. 7100-0344)

Dear Ms. Misback:

The following comments are submitted by International Bancshares Corporation (“IBC”), a publicly traded, multi-bank financial holding company headquartered in Laredo, Texas. IBC maintains 166 facilities and 256 ATMs, serving 75 communities in Texas and Oklahoma through five separately chartered banks ranging in size from approximately \$490 million to \$9.5 billion, with consolidated assets totaling over \$16 billion. IBC is one of the largest independent commercial bank holding companies headquartered in Texas.

This letter responds to the Request for Comment published by the Federal Reserve Board (“FRB”) regarding proposed agency information collection activities related to the FRB’s Debit Card Issuer Survey (FR 3064a; referred to herein as the “Issuer Survey”). IBC strongly recommends the FRB fully review and revise the Issuer Survey, and agrees with and supports the comments submitted by the American Bankers Association and other entities (the “Associations”).

The information gathered from the Issuer Survey and the FRB’s use of the limited information provided therein has a significant adverse impact on the debit card marketplace by painting an incomplete picture of the costs incurred by issuers with respect to debit card transactions. The impact and conclusions drawn from this limited information will be more significant and direct if the FRB finalize and enact the proposed 2023 amendments to Regulation II (“2023 Proposed Rule”), which IBC strenuously opposes. The 2023 Proposed Rule would automatically update the interchange fee cap every other year going forward by directly linking the interchange fee cap to the limited data from the Issuer Survey. It is critical that FRB policy be informed by robust, accurate, and complete data, which the Issuer Survey in its current form does not provide.

As discussed in the Associations’ comment letter (and as supported by IBC), while the Issuer Survey in its current form does have certain practical utility, there are myriad opportunities to enhance the Issuer Survey to more accurately capture the current, comprehensive costs incurred by debit card issuers to better inform FRB policymaking.

Currently, the Issuer Survey solicits information regarding (1) volumes and values of debit card transactions; (2) volumes and values of chargebacks and returns to merchants; (3) costs incurred in connection with the authorization, clearance, and settlement of debit card transactions; (4) other costs incurred in connection with particular debit card transactions; (5) costs incurred by debit card issuers to prevent fraud in debit card transactions; (6) interchange fees charged or received by debit card issuers in connection with debit card transactions; and (7) the incidence and loss associated with fraudulent debit card transactions. The FRB should amend the Issuer Survey in several key areas to ensure that it captures the full range of costs incurred by issuers with respect to electronic debit card transactions, while balancing the burden on those required to complete the Issuer Survey. These amendments would help to ensure that the Issuer Survey more accurately reflects the current state and features of the debit card marketplace, which would enhance the value of the survey responses to the Board and to other stakeholders.

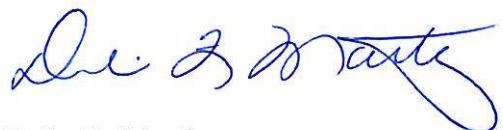
To achieve this objective IBC strongly encourages the FRB to take the actions below.

1. Publish the 2023 Issuer Survey data, which has yet to be released publicly.
2. Revise the Issuer Survey to capture all costs incurred by the issuer with respect to electronic debit transactions. This should broadly include all costs incurred by an issuer with respect to electronic debit card transactions, including costs broadly related to the authorization, clearance, or settlement of debit card transactions, as well as other costs issuers incur in facilitating debit card transactions. Currently, the Issuer Survey currently fails to capture all transaction-related costs and, thus, fails to capture cost data that rightly should be considered by the FRB in establishing standards for assessing recoverable interchange transaction fees under the EFTA and Regulation II. Of utmost importance to IBC, the Issuer Survey should gather data related not only to fraud losses, but the cost of proactive fraud monitoring required to facilitate debit card issuing activities. Banks have had to significantly increase their fraud monitoring and prevention costs due to the increase in debit card fraud. IBC's debit card fraud monitoring costs for 2025 alone are projected to be over \$3 million, a significant increase from years past. These additional costs are directly related to debit card issuing activities, but are not currently collected in the Issuer Survey. Thus, the FRB is not obtaining and considering the entire and holistic costs of debit card issuing activities, which prevents it from accurately and fairly setting the interchange caps under Regulation II.
3. Amend the Issuer Survey to better reflect the current state of the debit card marketplace.
4. Publish additional information about the number and completeness of Issuer Survey responses.

In addition to the specific comments provided herein, IBC again reiterates and incorporates the Associations' letter and comments provided to the FRB on this topic as well, and urges the FRB to conduct a fulsome review of the Issuer Survey in order to ensure it is able to consider all relevant costs when setting policy on debit card interchange fees and caps as required under Regulation II.

Thank you for the opportunity to share IBC's views on these matters.

INTERNATIONAL BANCSHARES CORPORATION

A handwritten signature in blue ink, appearing to read "Dalia F. Martinez".

Dalia F. Martinez
Vice President