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Preemption of Illinois Interchange Fee Prohibition Act: Interim Final Order

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC) is announcing an interim final order concluding that federal law preempts the Illinois Interchange Fee Prohibition Act. National banks and federal savings associations are neither subject to nor required to comply with this state law. Comments on all aspects of the interim final order are due 30 days after it is published in the *Federal Register*.

Note for Community Banks

The interim final order will apply to all community banks.[1]

Highlights

This interim final order

- concludes that federal law preempts the Illinois Interchange Fee Prohibition Act, which purports to (1) prohibit national banks and federal savings associations from charging or receiving interchange fees on the tax and gratuity portions of payment card transactions; and (2) restrict the use of payment card transaction data.
- complements the OCC's interim final rule clarifying national banks' power to charge non-interest charges and fees, which the agency is concurrently issuing.

Further Information

Please contact Karen McSweeney, Special Counsel; Priscilla Benner, Counsel; or Elizabeth Small, Counsel, Chief Counsel's Office, at (202) 649-5490.

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Related Link

- Order Preempting the Illinois Interchange Fee Prohibition Act: Interim Final Order (PDF)

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[1] "Banks" refers collectively to national banks, federal savings associations, covered savings associations, and federal branches and agencies of foreign banking organizations. OCC News Release 2025-89 (September 18, 2025) identifies "community banks" as institutions with up to $30 billion in assets.

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