



## NCUA JOINS OCC IN ISSUING INTERCHANGE PREEMPTION RULE; COLORADO PASSES INTERCHANGE BILL

On May 19, 2026, the National Credit Union Administration (NCUA) submitted a [rule](#) to the Office of Management and Budget's Office of Information and Regulatory Affairs asserting that federal law preempts the Illinois Interchange Fee Prohibition Act (IFPA), which bans the collection of interchange fees on taxes and tips and is set to become effective July 1, 2026. See our ALERT of [Feb. 26, 2026](#). The Office of the Comptroller of the Currency (OCC) issued a similar interim [final rule](#) clarifying national banks' power to charge non-interest charges and fees and interim [final order](#) on April 24th, confirming that federal law preempts the IFPA for national banks and federal thrifts. The OCC's order is effective June 30, 2026.

In response to the OCC's actions, the U.S. Court of Appeals for the Seventh Circuit vacated the district court's ruling in *Illinois Bankers Association v. Raoul*, 819 F.Supp.3d 882 (Feb. 10, 2026), and remanded the case for appropriate further proceedings, stating that the district court should "address these matters [the OCC's rule and order], and any related issues, before [the appellate court] attempts to do so." *Illinois Bankers Association v. Raoul*, 2026 WL 1291987 (May 8, 2026). The 7<sup>th</sup> Circuit also cancelled oral argument that had been pending for May 13.

Illinois is not the only state seeking to restrict interchange. A similar state law was just passed by the Colorado legislature and sent to the Governor for signature on May 22, 2026. See [2026 Colo. S.B. 134](#).

We will continue to monitor the status of this litigation and emerging interchange bills in other states and report on further developments.

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