

Impact of CCCA on your rewards

Passage of the Credit Card Competition Act of 2026 (CCCA) would likely impact your credit card rewards programs in the following ways:

(1) Lower rewards rates (most likely outcome)

If interchange revenue drops, issuers will likely adjust:

- 2% cash back → maybe **1–1.5%**
- 5% bonus categories → fewer or capped
- Sign-up bonuses → smaller

Why? Rewards are essentially a rebate funded by merchant fees—cut the funding, and the rebate shrinks.

(2) More fees or tighter terms

Banks may try to replace lost revenue by:

- Adding or increasing **annual fees**
- Reducing **0% intro offers**
- Tightening **approval standards**

This already happened after the debit-card version of Durbin (2010): free checking accounts declined.

(3) Premium/travel cards hit hardest

Cards with rich perks (travel, airline miles, premium cash-back tiers) are the most expensive to run.

- Airlines and travel partners rely heavily on card economics
- Industry groups warn rewards programs could be **“reduced or eliminated”** in some cases

Expect:

- Devalued points/miles
- Fewer perks (lounges, credits, etc.)

(4) Flat-rate cash-back cards become more “basic”

Simple 1.5%–2% cash-back cards are especially sensitive because they’re **purely funded by interchange**.

These could shift toward:

- ~1%–1.25% baseline rewards
- More restrictions or caps

Who wins and who loses from passage of CCCA?

Potential winners:

- Large retailers with high card transaction volume
- Consumers who don't use rewards cards

Potential losers:

- Consumers who rely on cash-back or travel rewards
- Frequent credit card users who optimize benefits
- Lower-income consumers who may face tighter credit access

What this means for your financial strategy

If the bill passes, consumers may need to rethink how they use credit cards. A few considerations:

- **Maximize rewards while they exist:** Current programs may become more generous than future ones
- **Focus on fundamentals:** Interest rates, fees, and flexibility may matter more than rewards
- **Be cautious about annual fees:** Premium cards may offer less value over time