



United States House of Representatives
One Hundred Nineteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

December 22, 2025

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave NW
Washington, DC 20551

Dear Chairman Powell:

We write today to express support for President Trump’s decision to direct the U.S. Mint (Mint) to stop producing pennies for circulation. For decades, Members of Congress on both sides of the aisle have recognized the high cost of producing pennies. In 2024, each penny cost 3.68 cents to mint, resulting in an \$85 million loss for the U.S. Department of Treasury.¹ Halting further production not only saves American taxpayer dollars but reduces the burden of cash payment “by reducing the number of coins that need to be exchanged between the payer and payee.”²

Importantly, on July 23, 2025, Republican Conference Chairwoman Lisa McClain’s legislation, H.R. 3074, the *Common Cents Act*, passed out of the House Committee on Financial Services (Committee) on a bipartisan basis. This legislation will provide additional clarity for retailers and alleviate penny demand. Clear rounding guidance will enable retailers and banks to implement rounding practices consistently, protect against potential legal or regulatory risks, and ensure consumer confidence that everyday transactions remain fair and transparent. Without clear guidance, retailers may increasingly find accepting cash transactions difficult, threatening the important viability of cash as a payment option for all Americans.

While the Committee works to provide legislative clarity regarding the penny, we remain concerned about the recent decisions by the Federal Reserve to cease accepting penny deposits or orders at a substantial majority of coin terminal locations across the United States. As you are aware, coin terminal locations – operated by private armored carrier providers under contract with the Federal Reserve – facilitate coin circulation. We acknowledge that the Federal Reserve is not “shutting down” these terminals entirely, as private armored carriers may continue to process orders and deposits from the financial institutions’ own accounts. However, this is not a

¹ UNITED STATES MINT, 2024 ANNUAL REPORT 12-13 (2024).

² Oz Shy, *Rounding Rules and Cash Inflation When We No Longer Make Cents*, WALL ST. FEDERAL RESERVE BANK OF ATLANTA, Nov. 3, 2025, <https://www.atlantafed.org/blogs/macroblog/2025/11/03/rounding-rules-and-cash-inflation-when-we-no-longer-make-cents>.

practical solution, as banks understandably want to preserve their own penny inventories out of concern that additional terminals may no longer be available, leaving them unable to obtain additional pennies in a cost-effective manner.

Given current supply and demand dynamics, the Federal Reserve's actions have significantly, and perhaps unnecessarily, impeded the circulation of pennies. Although the Mint will no longer produce additional one-cent pieces for circulation, estimates indicate that the nearly 300 billion pennies already in circulation are more than sufficient to facilitate commerce. We urge the Federal Reserve to proceed cautiously before shutting down additional terminals and to assess whether reopening more locations to penny deposits and orders would help recirculate existing coins and alleviate current pressures in the system.

Currently, the lack of penny availability is imposing inconvenience to our families and significant costs on retailers and financial institutions. We are particularly concerned that the prohibition on penny deposits at most coin terminal locations is unnecessarily preventing pennies from re-entering circulation. Allowing more penny deposits would increase the Federal Reserve's supply and help maintain normal coin circulation nationwide.

We appreciate your prompt attention to this important matter.

Sincerely,



French Hill
Chairman



Bill Huizenga
Vice Chairman



Frank D. Lucas
Chairman, Task Force on
Monetary Policy, Treasury Market Resilience,
and Economic Prosperity



Ann Wagner
Chairman, Subcommittee on Capital Markets



Andy Barr
Chairman, Subcommittee on Financial
Institutions



Warren Davidson
Chairman, Subcommittee on National
Security, Illicit Finance, and International
Financial Institutions

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Bryan Steil
Chairman, Subcommittee on Digital Assets,
Financial Technology and Artificial Intelligence



Daniel Meuser
Chairman, Subcommittee on Oversight and
Investigations



Mike Flood
Chairman, Subcommittee on Housing and
Insurance


M.C.

Lisa McClain
Member of Congress

cc: The Honorable Maxine Waters, Ranking Member
 The Honorable Christopher J. Waller, Governor, Board of Governors of the Federal
 Reserve System