



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D.C. 20551

LOUISE L. ROSEMAN  
DIRECTOR  
DIVISION OF  
RESERVE BANK OPERATIONS  
AND PAYMENT SYSTEMS

August 26, 2010

Mr. Mark D. Brewer  
Vice President  
Summit Federal Credit Union  
Canal Ponds Business Park  
100 Marina Drive  
Rochester, New York 14626

Dear Mr. Brewer:

On behalf of Chairman Bernanke, thank you for your August 12 letter regarding the interchange provisions included in the financial regulatory reform legislation. We appreciate your input to our rulemaking implementing this aspect of the legislation.

Sincerely,

A handwritten signature in black ink, reading "Louise L. Roseman". The signature is fluid and cursive, with a long horizontal line extending to the right.



Canal Ponds Business Park  
100 Marina Drive  
Rochester, New York 14626  
Telephone (585) 453-7000

August 12, 2010

The Honorable Ben S. Bernanke  
Chairman  
Board of Governors of the Federal Reserve  
20<sup>th</sup> and Constitution, NW  
Washington, DC 20551

Re: Debit Card Interchange Rulemaking

Dear Chairman Bernanke:

The intent of this correspondence is to offer brief comments for your consideration as you oversee the process of determining reasonable and proportional interchange fees for debit card transactions.

On the surface the policy which is formulated in determining reasonability will not impact our institution as we are a federally chartered credit union with assets less than 10 billion. However we are seriously concerned that the two major card networks will apply the same interchange calculations to all institutions regardless of what the original Congressional intent was. As a consequence we will suffer a severe negative financial impact that will ultimately be born by our member owners. This impact could force us to curtail services such as a debit card or alternatively force us and our smaller peers to charge fees for services and products that were previously free.

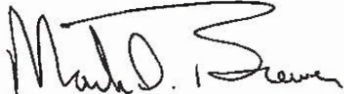
With those concerns stated we highly encourage you to consider all costs and impacts when determining the allowable interchange fees under the reasonable and proportional directive set forth within the law. For the sake of brevity we would like to direct your attention to the July 15, 2010 letter which Fred Becker, the President and CEO of the National Association of Federal Credit Unions (NAFCU) sent to you. This correspondence listed in detail several of the processes and expenses which we incur to even offer a debit card program. We would additionally like to point out that the current interchange revenue allows us to offer additional services which are traditionally not revenue generators yet are tied to the entire plastic card cycle such as owning and operating ATM machines.

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Chairman  
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Thank you for allowing us to offer our comments on this pivotal issue. Should you require any clarification please do not hesitate to have your staff contact us.

Very truly yours,

THE SUMMIT FEDERAL CREDIT UNION



Mark D. Brewer  
Vice President  
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xc: Louise L. Roseman ✓