

From: Alan Fleischmann  
Subject: Reg I I - Debit card Interchange

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Comments:

As a small retailer, my debit card interchange fees have TRIPLED over the past three years.

I no longer accept debit/credit cards for small purchases (under \$5.00), as the interchange fees virtually remove all profit from the sale.

Per my retailer agreement, I am prohibited from charging customers fees for debit/credit card purchases, although I can require a two item minimum purchase for card use. Many customers are upset by this, and will often leave without a purchase, only to go to a larger retailer, who will accept cards even for a tiny purchase (even under \$1.00). Larger retailers can do this because their "AVERAGE card purchase amount" is higher.

As a SMALL retailer, MY business cannot afford this. Even though LARGE businesses can absorb this lack of profit (or even LOSSES) on small card purchases, these higher interchange fees ultimately result in higher consumer product prices that continue to hurt the consumer.

These higher interchange fees limit MY ability to compete with "big-box" stores. Here, then, is yet another excessive cost for small businesses, like mine.

I know of several small businesses that have chosen to discontinue accepting debit/credit card payments. I have not decided yet, but I am considering discontinuing my card acceptance.

Even after enactment of the latest round of "FINREGS," the banks have created many new fees for depositors and retailers. For example, my formerly "Free Business Checking" is suddenly charged a monthly fee, and a "management fee" that is tied to my deposits. Their formula is "the MORE I deposit, the HIGHER the fees!" This is OUTRAGEOUS! The bank says "the fine print in your banking agreement allows banks to enact, change, or raise fees at any time."

I think it's high time that some regulations be enacted to reign in these excessive interchange, and other, fees.

Thank you.

Alan Fleischmann