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Subject: Reg II - Debit card Interchange

Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing
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This is damaging to the whole debit system, and for what? The average interchange on a debit transaction is .95%, or 95cents for ever 100 dollar purchase. The costs to replace the loss revenue to our credit union is either .75 cents per transaction or up to 8 dollars a month per member checking account. Why would congress want to provide added revenues to the big box retailers from the pockets of the american people. THIS MAKE"S NO SENSE! And of course let's not even consider the liability of these transactions in which we will still be the same. We the financial institutions are on the hook for all fraud basically insuring all transactions for what is now a reduced fee. Maybe you have forgotten basic math as well and the volume of commerce we authorize for our .95%. As a example if big box retailers pay 1 billion in interchange under the current system, how much does this represent in gross sales? Um..well lets just calculate this. 1 billion divided by .0095 equals 105 billion 263 million 157 thousand 894 dollars. Now on a average what is the gross margin for retailers. 10 20 50%... Does the 1 billion in interchange really make a difference. Where it will make a difference is when we have to dip into the already empty pockets of the average american to pay for it with no return to them. BE SMART AND DO NOT ALLOW THIS INJUSTICE TO CONTINUE. YOU CAN FIGHT FOR WHAT IS RIGHT AND IF NOT FOR THE FINANCIAL INSTITUTION FIGHT FOR THE AVERAGE AMERICAN. Oh by the way if the margin was 20% the profit already by the big box retailers is 21 billion 52 million 631 thousand 578 dollars, But i guess that is not enough so under your new plan they will get and additional 873million 683 thousand 210 thousand.. I will forward these math formulas if needed... KEN Leonard ACU/CEO PS we could always reduce the credit card interchange to the levels of the current debit. oh but wait, we don't want to get the mega banks whom hold 90% of that market and or AMX or Discovery involved, might be bad for next years poltical campaign dollars....