

From: John Krummel
Subject: Reg I I - Debit card Interchange

Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing
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Name: John Krummel
Affiliation:
Category of Affiliation:
Address:

City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

I am not in favor of the proposed limit on debit card interchange fees. I feel the market needs to set the fee amount not our government. By requiring cards to be processed on at least 2 (Alternative A) or 4 (Alternative B) networks the market will ensure a competitive rate. Alternative B would ensure more competition but it will also raise the cost of doing business so there should be a higher rate if that alternative is used. No one wants to go back to writing checks; businesses, banks or the consumer. If banks don't raise fees on accounts to offset lost income on cards, that may not offer cards at all. I am not sure what costs you included when coming up with your proposed interchange fee limits but I understand that fraud prevention was not included. This is becoming more of an issue everyday. There are a lot of costs that are hard to put figures on. Daily, banks have to handle disputes on their cards, wrong transaction amounts, cards that don't work, lost cards, issuing new cards, equipment to handle the transactions, postage of mailing cards, etc. Businesses save a lot of money but not having to handle checks, make out deposit slips, bring the checks to the bank and deal with bounced checks. I think the system is working pretty well right now for all parties involved. I haven't heard one complaint from anyone on interchange fees. Everyone sees the benefit. If it isn't broke, don't fix it.