

From: Renee Cowen  
Subject: Reg I I - Debit card Interchange

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Comments:

February 17, 2011

Jennifer J Johnson  
Secretary, Board of Governors of the Federal Reserve System  
20th St and Constitution Ave, NW  
Washington, DC 20551

Dear Jennifer Johnson:

As a community bank employee in your district, I write to you with a simple message: Price controls by the Federal Reserve on debit interchange fees must be stopped. Government price fixing will harm my bank and my customers. I urge you to take prompt action to require the Fed to abandon this misguided and harmful proposed rule.

It is a sad fact that this rule, called for by the Dodd-Frank Act, will have adverse repercussions on more Americans than any other provision of that law by directly affecting the debit cards that hundreds of millions of consumers use every day, and yet, not a single hearing was held on it. In addition, this \$16 billion transfer of wealth from every card-issuing bank like mine to merchants has never even been studied by a federal regulator.

I also want to make clear my sincere belief that the so-called "carve out" for small banks like mine will not work. Whether by virtue of the fact that the legislation gives nearly complete control of a debit card transaction to merchants, or the reality the market forces will drive pricing for a small bank like mine in line with the price-controlled rates given to the mega banks, I can almost guarantee that my bank is going to have to make some painful changes.

Debit cards are a way of life for most consumers, just like driving a car and brushing our teeth. They are not a luxury item. My community bank needs to offer debit cards, because it's what the consumers in my community expect from their financial institution. This proposal will make that harder, and will increase costs for millions. Please stop this rule and give regulators and Congress a chance to really examine the significant consequences price fixing will have on consumers and banks like mine.

Sincerely,

Renee Cowen