

From: ELGA Credit Union, Karen A. Church
Subject: Reg II - Debit card Interchange

Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing

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Name: Karen A Church

Affiliation: ELGA Credit Union

Category of Affiliation: Other

Address:

City:

State:

Country:

Zip:

PostalCode:

Comments:

I appreciate the opportunity to comment on this important regulation, R-1404 regarding the interchange fee reduction. I don't believe that it is reasonable to think that a financial institution can effectively offer a debit/credit card program at a .12 per transaction reimbursement. The cost of a card program encompasses many areas of expense including but not limited to employee cost, charge back and fraudulent activity cost, mailing, processing, plastic cost, and insurance. We have built a terrific program for our members based on card usage that would more than likely have to end if this regulation passed. I am 100% certain that the savings to the retailers is not going to be passed on to the consumers and they are going to lose beneficial programs being offered by their financial institution. Most likely you will cause an end to "free checking" because the interchange income offsets the cost to offer this important and much needed account. Consumers benefit so much more with the current products being offered because of the interchange than they ever will through a retailer. We have truly been through turbulent times over the last two years and this proposed regulation change is going to cause an even longer recovery for America's financial institutions. Please, I beg you to fully understand the impact of this regulation before making any seriously damaging changes to the interchange income that financial institutions have fairly earned. I appreciate your time and consideration. I pray that you make a decision that is truly in the best interest of the majority of consumers. Sincerely, Karen A. Church ELGA Credit Union CEO