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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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Please reconsider the interchange ammendment. The allowed fee puts this below our cost to handle these transactions, which will force banks to pass on costs to our customers. Retailers complain that they have had to increase cost to make up for the interchange fee. I have a hard time believing that is the case given the increased competition in the internet area. The financials for companies such as Wal-Mart are extremely strong. Any savings will be going to shareholders not customers. Retailers also fail to talk about how much easier it is for them to handle debit/credit cards than checks. This cuts down on the amount of time customers are in line, the amount of bad checks they have to work to collect, and the fraud they are not liable for. Are we making some money on interchang, YES. Are we getting rich off this produc, NO. I am not sure what business in this country offers a product that they do not think they will make money on. If they are, my guess is they will be out of business before long. Taking this away will put an end to free checking and many of it's extra benefits. If you go forward with this proposal I believe it is only fair the retailers be forced to pay back any fraud we have. Currently when I go to Wal-Mart or any other retailer they do not ask to see my driver's liscense to see if I am the person presenting that card, they just take it because they know they have no responsibility if it is a fradulent transaction. On a check they ask for my life's history because they know if it is forged they carry potential liability. In closing I think we all can be sure the retailers are not going to pass on the 1 to 3% savings they will see. We are just going to see a bigger profit on their income statement. It is wrong for the government to be the ones to pick the winners and losers in this game. If you want to create more competition that is one thing but to set prices is COMMUNIST. Thanks