

From: AMOCO Federal Credit Union, Roger McCrary  
Subject: Reg I I - Debit card Interchange

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Comments:

Dear Chairman Bernanke:

My name is Roger McCrary and I have served as a volunteer Board of Director for AMOCO Federal Credit Union, for over 20 years. Our credit union serves over 62,000 members and has assets of approximately \$540 million. We have been in operation since 1937.

I am writing you today in opposition of the proposed Debit Card Interchange regulation. As you are fully aware, this issue is a complex and controversial issue and I applaud Congress and the Federal Reserve for what they have accomplished with addressing a majority of the issues surrounding Interchange. However, I feel that due to the complexity of this issue that the Federal Reserve should postpone implementation of any version of these rules until further analysis can be completed.

I simply feel and concerned that certain aspects of the Dodd Frank Act will actually end up hurting consumers instead of helping them as the original intent. Specifically, the proposed fee cap of 7-12 cents is a drastic reduction. It does not take into account the costs for fraud prevention (to protect the consumer) or data security risks (to protect the consumer) that financial institutions currently bear. While my credit union completely understands that this is known cost of business, the fact that retailers do little to nothing to help offset these costs, i.e. identity verification.

As you are fully aware, the most significant card fraud scenarios recently were not the fault of financial institutions but rather retailers, i.e. Heartland; of which, financial institutions bore the majority of the costs of this breach. Last year alone, my credit union lost approximately \$100,000 directly related to debit card fraud.

In addition, the proposed "carve out" for smaller financial institutions like mine has great intentions, the likelihood that the major players will adhere to this is slim to none. For example, under this new system I doubt seriously that SAMS's club will voluntarily promote other cards for purchases in lieu of their branded card.

Again, I applaud Congress and the Federal Reserve for what they have accomplished so far, but simply believe all stakeholders need more time and analysis on this complex issue to ensure that we are accomplishing the true intent, "the protection of the American Consumer."

Roger McCrary

If there is any more information that you may want or that I can provide you, please email me or call me at xxxxxx