

Gabriela V. Carriedo

Jennifer J. Johnson
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551

Re: Docket No. R-1404 and RIN No. 7100 AD63

February 15, 2011

Board of Governors of the Federal Reserve System,

I would like to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule and appreciate the attention this letter receives.

I am very concerned about the state of our economy and the negative effects this new regulation and others will continue to bring to it. By limiting the interchange fee, you are obligating banks to charge for products, such as a free VISA Debit Card, which have been free for many years. I do not use credit cards and have used my debit card everywhere –online, point of sale, hotel reservations, etc. I have been trying to save on interest and only spend the money that is in my bank account, and now it seems that I will need to pay fees per transaction or will need to carry cash.

In the news all you hear is that banks will have to eliminate not only Free Check Cards, but also Free Checking and all the free services that come with it. The economy is bad already and now each accountholder will have to end up paying at least \$180 annually in order to have a regular checking account. I am not sure I am willing to pay this. So do I cash my paycheck and carry cash? It is unbelievable that we are going back to the way things were instead of moving forward and advancing with the technology that is available today. Will businesses be ready for this influx of cash?

Plus have you thought of the domino effect the loss of revenue to banks will have? First they will fire many employees, then close branches, then eliminate the products and services they contracted for their branches (janitorial, landscaping, supplies, etc). The vendor that was accustomed to this income will have to do the same and so on. This will be just like when the big car producers had to lay off so many employees and adjust their operations – it will be very detrimental to our economy. There are about 7000 banks with hundreds of branches that will be seriously affected by all these changes. You are trying to protect the consumer but in the end you are causing a negative impact on all Americans. I seriously doubt merchants will reduce their prices because they will be paying less interchange fees.

There is still time to think this through and make adjustments. Thank you for taking this seriously.

Sincerely,

Gabriela V. Carriedo