

From: "Sandi Gass" <sandigass@mchsi.com> on 05/11/2008 03:05:03 PM

Subject: Regulation AA

I think it is wonderful that the government is reviewing credit card practices to protect consumers; however, the government should include a review of credit card processing practices for small businesses. We own a small business and feel it is necessary to accept credit cards for the convenience of our customers. We pay a processing fee for each credit card transaction we conduct. In addition, we are charged a penalty for each transaction that is labeled as "non-qualifying" by the processor. These "non-qualifying" transactions include transactions using "corporate" credit cards. The penalty is three times the normal processing fee. We have disputed these penalty fees and were told that the higher fees are charged because "corporate" cards are considered to be high-risk cards. It is not fair that small businesses must absorb penalty fees for the use of certain credit cards issued by the credit card companies. We have no input into the issuance of these cards yet we are penalized when they are used in our business. And we are helpless when it comes to the credit card companies. If we want to accept their cards in our business, we must accept their terms. And, it is not practical to not accept credit cards. Please also look into the treatment for small businesses in addition to the treatment of individuals.

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