

From: Wally Schwarz
Subject: Regulation Z - Truth in Lending

Comments:

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Date: Mon, 12 Apr 2010
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Dear FRB:

As a small business owner, we are held hostage to the credit card agencies (Visa/Mastercard/Discover/AmEx). They regularly raise discount rates, and transaction fees whenever they like, however frequently they like. And we have no way to say enough is enough.

It costs the agencies the same amount of money to process a transaction for \$1.00 as it does to process a \$100,000 transaction. Yet, the fees are disproportional. The banks don't charge a fee based upon the dollar amount of a check, why should they charge a floating fee per credit / debit card transaction.

The highest variable expense that we have, after payroll and merchandise, is for the bank fees.

I have no problem with the bank charging a reasonable transaction fee (\$0.10 each), and a fee to initiate the ACH, but not a 2.9% fee, plus \$0.45 per transaction, and then additional fees such as address verification, etc. Plus if a customer uses a 'reward' card (cash back, frequent flyer miles), a business card, or heaven forbid a "level 2" card (where we have to report each and every line item in the transaction in great detail) I as a merchant is required to pay additional that fee (up to an additional 3.5% on top of the 2.9%) to the bank. We get no benefit, but are required to accept the card.

STOP THE GOUGING.

Wally Schwarz