

From: Stacy A. Tallent
Subject: Reg II - Debit card Interchange

Comments:

January 26, 2011

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

Dear Federal Reserve Board:

Here's the bottom line, if you pass this regulation and reduce interchange fees for financial institutions you will see these cost passed on to consumers in the form of higher fees or new fees for services. Financial institutions are responsible for not only the cost of running their card programs but also the losses from fraud and abuse. Merchants have the benefit of guaranteed payment and in many cases instant settlement.

Taking fees away from the institutions that are running the programs and serving the consumer will not mean better prices at the retailers.

Every financial institution in the country had to raise fees or begin charging new fees to offset the damage of the overdraft fee regulations that became effective last year. This is simply round two of higher cost for consumers.

Think about what you are doing to the end user before you take income from the ones running the programs and hand it over to the retailers.

Sincerely,

Stacy A. Tallent