

From: City & County Credit Union, Steven R. Galarneau
Subject: Reg II - Debit card Interchange

Comments:

Date: Jan 27, 2011

Proposal: Regulation II - Debit Card Interchange Fees and Routing
Document ID: R-1404
Document Version: 1
Release Date: 12/16/2010
Name: Steven R Galarneau
Affiliation: City & County Credit Union
Category of Affiliation: Commercial
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

We have concerns over how this regulation will impact our ability to compete in the financial services marketplace. A main concern is the low interchange fee cap. The amount does not cover the overhead costs of a debit card program, which are considerable. Also, the 2 tier pricing system, as laid out, could result in point-of sale surcharges for our cardholders, since the elimination of "Honor all cards" will allow merchants to favor the cards of large issuers (\$10 billion). As credit unions struggle to recover from the real estate crash and the burden of NCUA insurance costs, this debit interchange regulation will make our job just that much harder.