



January 18, 2011

The Honorable Ben S. Bernanke, Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Chairman Bernanke:

On behalf of GECU and the El Paso members we serve, I want to express very serious concerns about provisions in the proposal to regulate debit interchange fees. As a credit union, we pride ourselves in providing a better financial future for our member-owners and the community as a whole. The interchange rules that are currently being reviewed would definitely be a detriment to the credit union's mission.

The intended protection for small issuers in the Interchange Amendment, we feel is inadequate. There is a need to differentiate the exemption from a small issuer to the large issuer in regards to the rate-setting provisions.

In addition, we are concerned about the low-level cap of no more than 12 cents per transaction that would apply to debit interchange fees for large issuers. The cap would ultimately be applied to small issuers in the marketplace if the exemption is not fully implemented.

Most importantly, the loss of interchange income approach would mean issuers would have to bear costs associated with having to join additional networks. Credit unions do not want to charge their members more fees! Any significant reduction in interchange income will require higher fees paid by consumers.

The income generated thru the interchange fee is used to support our current debit card program. In situations when we have experienced a breach for example, these funds have allowed us to take measures to mitigate future losses by issuing new debit cards. In 2010 alone, without interchange fee income, we would have incurred over \$200,000 in costs due to credit card breaches. This in turn, would have an adverse effect on our membership.

We ask that you please re-consider these rulings and remove this amendment from the Financial Services Reform Bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Crystal Long', is positioned above the typed name.

Crystal Long
Sr. VP/Chief Operations Officer
GECU-El Paso