



January 21, 2011

To Whom It May Concern:

Interchange revenue from the use of debit and credit cards is vital to credit unions to support the administrative expense of card programs. Interchange fees allow business costs, including operating expenses, fraud risk management, and the risk of consumer nonpayment, to be shared by the payments participants.

Interchange fees are not paid to Visa or MasterCard. Interchange fees are paid by merchants to credit unions and banks that issue debit and credit cards, and represent the merchants' fair share of the cost of the payment card system.

Merchants have choice in what they pay to accept payment cards – thousands of banks and credit unions offer acquiring services (card processing). Even Costco offers acquiring services that make it possible for small businesses to accept plastic cards.

Sincerely,

Melanie Eiland  
Loan Manager