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January 25, 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,

Blue Chip Federal Credit Union was established in 1948 in Harrisburg, PA. We have enjoyed servicing our local community by providing efficient and affordable financial products and services to our members for over 60 years. Our membership is made up of mostly blue collar workers, many of which either work or have retired from the local railroad yards, namely Amtrak and Norfolk Southern. Our member's loyalty to the credit union has helped us grow to be just over \$25 million in assets with 3,078 members as of December 2010.

The credit union introduced a debit card program in 1999 and although this program comes at an expense to the credit union we have been able to absorb that expense in order to provide this product as a free service to our members. Whenever possible, the credit union avoids charging fees or assessing sign up costs to the products and services we provide to our members. The credit union philosophy of "Not for Profit, Not for Charity, but for Service" is very important to Blue Chip FCU and we value the opportunity to not assess additional charges to our members for products and services necessary for their financial health.

Credit unions focus on offering great value to consumers with higher rates on savings, lower rates on loans and low or no fees for services. The implementation of interchange will hit the pocketbooks of Americans holding debit cards. Credit unions may be forced to impose monthly checking account fees, institute fees or find other ways to cover the costs of providing debit cards. In short, every dollar Blue Chip FCU will spend to comply with this regulation is a dollar that is not being used to benefit our credit union membership.

Blue Chip FCU is concerned that the Federal Reserve Board's (Fed) proposed regulation on debit card fees and routing does not include provisions to enforce the small issuer exemption. We urge the Fed to use its authority to reinforce the small

Large enough to meet your needs...Small enough to know your name

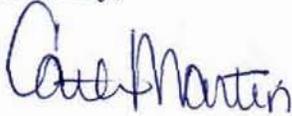
issuer exemption and ensure that it works as Congress intended. The proposed debit card interchange also concerns us, especially if the establishment and maintenance of a two-tiered structure cannot be assured. We urge the Fed to consider all costs of operating a debit card interchange system to the maximum extent allowable by law, including all fraud prevention costs such as the cost of new technology that reduces potential fraud.

There is no assurance in the law or proposal that any savings for merchants as a result of the government-set interchange fee caps will be shared with the consumers. One thing this proposal does ensure is that interchange fees will be lower than the cost of providing payment services. Credit unions will still have to find other ways to recover losses which unfortunately will be at the cost of the consumer. In the end, the consumer will be paying for the profit to the merchants, which is not what Congress intended.

I urge you to take these concerns into consideration as you move forward with finalizing this regulation. As a small credit union the cost of compliance with this new regulation will affect us, and our membership, in a great way.

Thank you for your time, and your consideration of my concerns.

Sincerely,

A handwritten signature in blue ink that reads "Cathi Martin". The signature is written in a cursive style with a large initial "C" and "M".

Cathi Martin
President / CEO