

From: Cleve M. Gordon  
Subject: Reg I I - Debit card Interchange

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Comments:

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As your constituent, I am writing to urge you to stop the debit card interchange rule. The Durbin Amendment has not been thought through properly, as capping Signature debit transactions at \$.12 does not address the issue at hand. The cap will destroy the issuing side of the industry, as it will not be able to afford to process the transaction itself, much less create enough profit to support a business model. The cap will also have a crippling ripple effect that will spill into many parts of the Electronic Payments landscape. The only beneficiaries of this harmful rule are retailers, who will take home an additional \$15 billion in profits - and consumers will be left to deal with the consequences. The rule does not require that retailers pass along even one penny of their savings to customers. Meanwhile, banks, forced to lose money on debit interchange transactions, will be forced to compensate by increasing fees for deposit customers. The fact is that retailers receive tremendous benefits when they accept debit cards for payment, including higher sales, lower costs and guaranteed payment. That's why millions of retailers have chosen to accept debit cards - and that number is growing. In effect, consumers like me will end up paying for a payments system that provides retailers with extraordinary value. Congress should be in the business of protecting consumers, not forcing us to pay for the costs of giant retailers. Please repeal this harmful rule before it's too late.