

From: Lori Casady
Subject: Reg II - Debit card Interchange

Comments:

February 7, 2011

Federal Reserve Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Federal Reserve Board:

The only beneficiaries of this bill will be retail merchants.

The small issuer is exempt, but there are no provisions to enforce this!

There is supposed to be a two-tiered system, but we are not assured of that. The costs, all of them, need to be considered in establishing interchange rates. Everyone in the system should bear that cost.

Small issuers cannot combat the exclusivity that merchants can practice if that system is not properly implemented.

It is also probable, that small issuers like my credit union, may be forced to cancel our debit card program due to cost. That really contradicts the long-term vision for reducing the use of checks.

Please re-consider the way you will be implementing this proposed regulation and adopt routing Alternative A.

Sincerely,

Lori Casady