

From: Midland Credit Union, Becky DeVries
Subject: Reg II - Debit card Interchange

Comments:

Dear Federal Reserve Board,

Comment on Proposal: Regulation II - Debit Card Interchange Fees and Routing
(R-1404)

I strongly urge the Federal Reserve board to reconsider the 12 cent cap on debit interchange fees because as a small community credit union we "will" suffer greatly from this rule. While it's to effect the big banks, \$10 billion and more in assets, it will trickle down to all financial institutions due to the power of the exemption being muted because of the exclusivity and routing provisions.

Our projected Negative Average annual impact equals .30% of our assets in lost revenue, this loss will ultimately be felt by the borrowers and depositors in the form of higher loan rates and new or higher fees or even lower earnings on deposit accounts.

We need to ensure all costs to issuers and economic value to the merchants are considered within the proposed rule. Due to the lower costs and economic scales the large institutions have, this may ultimately cause community financial institutions' margins to be disproportionately penalized.

All costs including Staff wages associated with the debit cards must be taken into consideration. Customer service calls related to debit card transactions versus the old fashion paper check are 10 to 1.

Sincerely,

Becky DeVries
Midland Credit Union

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