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Comments:

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The cost of fraud prevention needs to be considered before lowering the debit card interchange fees. The issuer is responsible for the losses due to fraud most of the time. Special software is needed to detect fraud at a high cost. The number of employees and the time it takes to call customers to find out if they authorized the items. We are a small community bank and it takes at least 2 employees all day to call and verify transactions and to hot card the cards. If the interchange is lowered, the merchants need to be responsible for fraud also. Most merchants don't even have to verify the customer in front of them that uses a card, but if it is a fraud transactions the issuer has to bear the loss. The criminals are smart and the issuers can not keep up with the fraud. Customers like their cards and their free checking accounts!