

From: Richard Ayala
Subject: Reg I I - Debit card Interchange

Comments:

February 9, 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:

As a responsible CEO of a small \$20M credit union with debit card members, that Congress would allow such enforcement that would have the effect of reducing our revenue, making any debit card program expensive and prohibitive to us small credit unions. I can only believe that Congress has the mind to eliminate the small business from any type of competitive level, thereby handing such services to the very large financial institutions.

When I hear Mr. Dodd and Mr. Frank explain that this legislation is necessary for the consumer, but have NO IDEA as to the net effect of business, I am in utter amazement how such educated individuals can make such decisions without knowing the outcome. It is no wonder that our government is in such a sad state of affairs, running budget deficits, bankrupting this country.

It is a travesty as to what this piece of legislation is doing to our financial institution structure. Get specific as to size of financial institutions, and be specific as to enforcement and waivers.

My recommendation would be to adopt Alternative A, requiring issuers to provide debit cards that can be used over two unaffiliated networks, such as a PIN-based network and an unaffiliated signature-based network. Requiring anything else is inconsistent with statutory requirements and would place an unreasonable regulatory burden on our credit union that would impact our service to our members in a negative fashion.

Sincerely,

Richard G. Ayala