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Subject: Reg I I - Debit card Interchange

Comments:

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Comments:

I am the manager of a small credit union and we provide the debit card free to our members. I believe the changes that are being made will make it impossible for my credit union to offer this service. I'm sure you know that when you use your debit card to purchase an item or service and it is authorized that the merchant is guaranteed those funds no matter if the member comes in and takes that account down to zero. The merchant made a sale and also receives a guaranteed payment. The credit union will have to go after the member if the account is over drawn. So the merchant has to pay for this guarantee, the credit union still bears the majority of the risk. The merchant isn't out anything if the transaction is denied; and there are more businesses out there that do not accept checks anymore because of NSF and that is how the merchant has dealt with that problem. The fees that we receive from the merchant help to offset the other fees that we pay to offer a debit card. A credit union doesn't offer a debit card program in the hopes to make money, maybe break even, but we consider it a service to offer to our members and now you say that if an institution is under \$10 Billion in assets will not be affected, how do you plan to make sure? The system wasn't broken, it worked just fine and now you actually think that this is going to help or make things better. All you have done listen to the side of the merchant and not the financials that provide the service to their members or customers.