

From: American 1 Federal Credit Union, David M. Lawrence
Subject: Reg II - Debit card Interchange

Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing

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I am writing on behalf of American 1 Federal Credit Union, imploring you to consider the consequences of the proposed regulation that would govern debit card interchange fees and routing in the Regulation II, Debit-Card Interchange Fees and Routing provision. Financial institutions such as American 1 rely on the current interchange income to safeguard the cost passed on to our membership for servicing and maintaining our checking and debit services. A reduction in income without any chance of reduction in expenses, such as upkeep of the payment system and safeguards against fraudulent transactions, could lead financial institutions like American 1 to increase fees or cut services. In fact, at some banks, it's already happening. Once again I urge Federal Reserve to consider the consequences of the proposed regulation to the consumer and to financial institutions like American 1.