

From: Darren Larson
Subject: Reg I I - Debit card Interchange

Comments:

February 18, 2011

Jennifer J Johnson
Secretary, Board of Governors of the Federal Reserve System
20th St and Constitution Ave, NW
Washington, DC 20551

Dear Jennifer Johnson:

I am writing to pass on some quick comments we have heard from our clients in regard to the potential price limits to be placed on credit/debit card transactions. Our local retailers fear that they will lose their current service provider and be forced to one of the larger banks who perform the service, but give limited service and poor pricing to small retailers. We also have heard from card holders, who are concerned that they will lose their debit card, or begin to have to pay monthly fees to have a debit card. Consumers understand that there is a cost to the service, and that right now it is paid through slightly higher prices at the store. This is much easier for them to stomach than a hard monthly fee from the bank, and they would rather simply do without a card than pay a fee. However, the unfortunate belief is that retailers will not decrease their prices to pass along any savings. Please reconsider this issue, as the price limits will not bring about any of the intended results, only unintended consequences.

Sincerely,

Darren Larson