

From: Palm Springs Federal Credit Union, Debbie Pitigliano
Subject: Reg I I - Debit card Interchange

Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing
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Comments:

The Palm Springs Federal Credit Union is very concerned with the Federal Reserve Board's recently proposed regulation that would regulate debit card interchange fees and routing. We are a small natural person credit union with 1600 members. The credit union was established to serve its membership with lower fees and significant benefits. This regulation would dramatically effect our ability to offer the many free services and benefits we currently provide our membership. The Fed should implement reasonable interchange regulations that will allow small issuers like us to continue to be protected from lower interchange fees. We are concerned that the proposal does not include provisions to enforce the small issuer exemption. We strongly encourage the Fed to use its authority to reinforce the small issuer exemption and ensure that it works as Congress intended. If we are not exempt this would cost the small natural person credit union's significantly. Credit Unions were established to help its members and not impose higher fees to its membership. This new interchange structure would force credit unions to charge fees for services the member's currently receive free as a benefit from being a credit union member. I appreciate your time and consideration regarding our concerns. Sincerley, Debbie Pitigliano