

From: Ashok Agrawal
Subject: Reg I I - Debit card Interchange

Comments:

Date: Jan 03, 2011

Proposal: Regulation II - Debit Card Interchange Fees and Routing

Document ID: R-1404

Document Version: 1

Release Date: 12/16/2010

Name: Ashok Agrawal

Affiliation:

Category of Affiliation:

Address:

City:

State:

Country:

Zip:

PostalCode:

Comments:

Limit on interchange fees doesn't make sense if the saving is not passed to the customer. Unless Fed can provide guarantee that same item is being sold less if paid by cash , then it make sense else the big stores will be making more money at the expense of consumers by paying more to checking account and ATM transactions. Use of card saves significant money to retailers by increasing the efficiency (processing the queue more faster with less number of employees), also its convenient to consumers to use card rather then paying cash or check. Think about weekends, x-mas and Black Friday if everyone starts paying with cash or check, retailers will not be able to process transactions and consumers have to wait in long queue. I still don't understand why this was added to the proposal at the last minute without much discussion. This has significant impact on lot of peoples like me in their retirements accounts. Stock went down by 10%. Why don't Fed or retailer start their own payment network, keep proposed interchange fees for their payment network and compete with existing payment networks. Retailer has option not to accept cards rather then controlling fees by regulation which doesn't make sense in this case. These payment networks are not for charity and they are not forcing anyone to use their service. If someone wants to use their service, then they should pay based on their cost rather then imposing limit. Can you control the price of gold, silver, oil etc which is going up and up.. NO so why interchange fees ?? I oppose this regulation unless savings to the consumer is guranteed without changing any current service like free checking account, no atm card fees, no transactions limits, fraud prevention, monitoring etc.