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Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing
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This regulation does nothing but help large, big box retailers, cause banks to generate revenue from other sources and hurt consumers and their communities. Alpine Bank employs 500 people on the western slope of Colorado. We have served some of our 23 different communities for over 37 years. We currently have over 43,000 debit cards issued. Years ago, we developed a "loyalty card" program whereby \$.10 was put in a fund every time a customer used their debit card. The customer selected which types of non-profits they would like their loyalty funds to go to, by selecting a certain type of debit card. We offer Arts, Environment, Americas, Community, and Education cards. In 2010, Alpine Bank contributed over \$700,000 to local non profits through this program. As you can imagine, a \$.10 donation on a \$.12 limit of income is not going to be feasible. Currently, Alpine Bank estimates our cost of processing a debit card transaction, including loyalty expenses and fraud at \$.275 per swipe. As a community bank, we rely on third party processors to provide this service. We cannot control the contracted price that they pass on to us. The law, while excluding banks under \$10 billion in assets, has no means of enforcing this provision. Therefore, we must seek alternative sources of revenue or stop issuing debit cards, a product our customers value greatly. Additional service charges on deposit accounts, lower interest rates on deposits, higher loan rates and additional fees have all been discussed as a means of recouping our losses on debit card transactions. Our customers, the consumer, will bear the brunt of this. As a consumer, I am doubtful that Walmart will pass on to me the savings they will be achieving through this new law. The same holds true for any other large retailer. Millions of dollars Finally, America has stood for freedom since our founding. One of those freedoms we hold dear is the ability to do commerce without government intervention. The Durbin ammendment flies in the face of this freedom. Please allow banks to charge fees consistent with historical levels.