

From: Eva Sedor  
Subject: Reg I I - Debit card Interchange

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Comments:

Eva Sedor

December 22, 2010

Dear Federal Reserve Board:

I am very concerned with the Federal Reserve Board's recently proposed regulation that would regulate debit card interchange fees and routing. The Fed should implement reasonable interchange regulations that will allow small issuers to continue to be protected from lower interchange fees.

My credit union is my low cost, high quality financial service provider, even though they are a small Credit Union. I know they operate a tight ship and they do not overcharge for services, in fact, they are the low-price leader in my area for their services.

This Act would cause my small Credit Union to be at an unfair disadvantage with the larger card issuers. The loss of income would just have to be made up in higher fees for services. And common sense tells me, even the large card issuers will not allow their profit margins to suffer. We saw this happen with the Credit Card Act. And since then, the largest banks have had record profits.

I am strongly opposed to this act. It will adversely affect my Credit Union and me, both as a consumer and as a cardholder. Right now I have a choice, my Credit Union. But this Act could cost me that choice. Just like the Credit Card Act ended up causing fewer to have access to a credit card, or they saw their interest rates sky rocket, or fees go up. I believe this Act will have the same detrimental outcome on me as a consumer.

I am a strong believer in free enterprise. The best quality for the best price results when consumers have more choices, not when the smaller providers are regulated out of business.

I understand a service should be priced according to its cost. But I also know that in every type of business enterprise some services are a net to expenses and those expenses are offset by prices on other products or services. I agree price gouging is bad, but that's when buyer beware comes in.

I do not believe the Federal Reserve Bank, a bank, should be regulating banks.

Sincerely,

Eva Sedor