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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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I am deeply troubled on many levels by the Durbin amendment and more importantly the current proposal to implement it. As an American citizen, I have to wonder how we justify price controls on a specific product within one industry where monopolistic forces are not at work. For instance, if this is a viable solution, why have we not taken the same approach with oil companies to limit their profit thereby benefiting millions of Americans? I think we know why - it didn't work before and it won't work now. This is another regulation that is going to have a far greater impact on community banks than large urban financial providers. We have limited methods to recoup the drastic income decline associated with this proposal and limited ability to withstand the money and time resources associated with escalating card fraud. Therefore, at a time when the industry should be increasing our investment to protect our customers and shareholders from fraud losses, you have created a situation where we will be forced to exit the card business, or at the very least substantially change our underwriting standards. In the end, the proposal will result in fewer card issuers, higher fees, and higher standards to obtain a card. (I understand there is a carve out for institutions under \$10B, but we all know the market will find away to run the transactions at the least possible cost to the merchant) Think of the irony of this situation. We are implementing a rule that will severely impact the financial health of our domestic financial institutions, limit the viable options of our card carrying citizens for the benefit of a handful of mega retailers that purchase virtually all of their products from foreign countries.