

From: Kimberley York  
Subject: Reg II - Debit card Interchange

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Comments:

Kimberley York

January 11, 2011

Dear Federal Reserve Board:

Good morning.

Exactly why does the government care about the fees imposed for using a debit card? The Federal Reserve Board imposing standards for debit card interchange fees is akin to the government telling a hot dog vendor he can't charge for mustard. Mustard adds to the hot dog, but it also costs money to provide. The next logical step is to simply raise the cost of other condiments. However, the credit union industry (and my credit union in particular) does not want to make up the difference for revenue that has no business being lost in the first place. This is absolutely unfair to our members, who have otherwise been enjoying our debit card product.

This proposal by the Fed will not allow us to cover the cost of our debit card transactions. If we cannot at least cover the cost of offering this product, we will remove it as an option. I doubt our competition will have any problem making up lost revenue from their customers in other products, but we don't operate that way. Here's our biggest problem with standardized debit card interchange fees: There's no evidence consumers will get any benefit from this whatsoever.

I encourage you to please step back, look at this matter logically, and do not impose standards for these fees.

Thank you for your consideration.

Sincerely,

Kimberley York