

From: Monica Hoolsema
Subject: Reg II - Debit card Interchange

Comments:

January 13, 2011

Dear Federal Reserve Board:

I am very concerned about the governments regulation of the debit card interchange. Merchants gladly accept debit cards due to the tremendous costs associated with checks and cash. Now the debit card costs (which merchants gladly accepted because it is less than the costs of checks and cash) will be passed along to financial institutions to essentially allow merchants easier ways to earn income at their business. The Fed should not have a role regulating interchange and should allow competition to drive the market. More regulation is not going to help this economy. This bill will only hurt the consumer because merchants will not lower their costs and banks will come up with a way to make up the loss in income. Having the government fix prices in any venue is a bad idea. This was never even debated in congress. I am ashamed of our politicians. A 70% reduction in these fees is shameful. It is as if free market is something the Fed does not believe in and has no idea the actual costs (mostly fraud) related to issuing this product. Maybe we should all go back to cash...wouldn't that make the world better?

Sincerely,

Monica Hoolsema