

From: Robert Bjelland
Subject: Reg I I - Debit card Interchange

Comments:

Robert Bjelland

January 14, 2011

Federal Reserve Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Federal Reserve Board:

I offer the following comments concerning Section 1075 of Dodd-Frank (Durbin Amendment) as it is proposed to amend the EFT Act concerning debit card interchange rules.

I encourage the Federal Reserve Board to enforce the \$10 billion exemption and see that interchange levels are maintained.

If interchange fees were capped at \$.12 and our fee income were to drop by 73%, as projected, this would result in our small debit card program becoming unprofitable. Our interchange fee income would have dropped from \$53,325 to \$14,398 in 2010 and our program would have lost \$10,256.

We just purchased two new ATM's in order to become compliant with the new ADA requirements for handicap accessibility. This will be additional expense for the debit card program.

If we do not have the exemption, other checking account fees would have to be increased in order to retain the debit card/ATM program at our credit union. This would be an extra expense for consumers that they probably won't make up at the merchants, who very likely will not pass the interchange fee savings unto their customers.

We also support the one signature and one unaffiliated PIN routing alternative as the practical approach.

We feel that the cost of debit card fraud prevention and fraud costs should be considered in the interchange fee cap.

Thank you.

Sincerely,

Robert Bjelland