

From: Brian Burns  
Subject: Reg I I - Debit card Interchange

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Comments:

Brian Burns

January 12, 2011

Dear Federal Reserve Board:

Spectrum Federal Credit Union joins others in expressing concern regarding the Federal Reserve Board's recently proposed regulation that would regulate debit card interchange fees and routing.

In particular, it is important that the exemption for smaller issuers remain part of any change in the system. The costs of maintaining the interchange system fall heavily on the card issuer, and merchants who accept the cards are already being protected by a layer of security and protection that are invisible to them, and whose costs they don't have to support.

In addition, we hope that the Fed will adopt routing "Alternative A," requiring issuers to provide debit cards that can be used over two unaffiliated networks, such as a PIN-based network and an unaffiliated signature-based network. Requiring more than two networks is inconsistent with statutory requirements and would place an unreasonable regulatory burden on credit unions that could negatively impact service to their members.

Sincerely,

Brian Burns