

From: Wanda Bach  
Subject: Reg I I - Debit card Interchange

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Comments:

Wanda Bach

December 22, 2010

Dear Federal Reserve Board:

My under \$10 million credit union is very concerned with the proposed regulation that could reduce our interchange fees. Why are we concerned when we are an under \$10 million financial institution? Because we are an associate member of Visa and MasterCard who is sponsored by Wells Fargo Bank! It is not clear how the network would distinguish a small institution like ours to allow us to earn a higher rate of interchange income. Should we be restricted to the "safe harbor" of \$0.07 per transaction, our credit union would lose over 50% of its current interchange income! With income from investments already at an all time low, the loss of interchange income could sound the death bell for small credit unions.

I urge you to protect credit unions by requiring an Alternative transaction route that would distinguish BINs used by a sponsor or an associate network member.

Sincerely,

Wanda Bach