

From: Jon Hehli
Subject: Reg I I - Debit card Interchange

Comments:

Jon Hehli

December 27, 2010

Dear Federal Reserve Board:

I am the CFO at a \$1B Credit Union and I am sorry to say the current \$.12 interchange limit will drastically hurt our Credit Union and more importantly our members.

At the \$.12, we would lose approximately 73% of our current interchange income which amounts to approximately \$3,000,000. In 2010, prior to the proposed \$.12 interchange limit, our annual net income will be around \$4M. You can see to what level your proposal will impact our credit union.

the \$.12 does not even cover our costs much less allow us to make a profit. Why you any business offer a product in which they lose money? I have to believe the FED makes a profit on the services you provide. If not, reduce our costs to borrow with you!!

If you or Congress does not change the rules, the days of free checking, free debit card transactions and other services will become a think of the past.

If this happens, who do you think will be hurt the most....it will hurt those consumers who can least afford more fees?

This proposal will hurt us smaller issuers more than the mega banks as the mega banks have more diversified income streams.

Please reconsider the \$.12 limit and at minimum allow us to make a profit on the transactions.

Sincerely,

Jon Hehli