

From: Catherine Gordon
Subject: Reg II - Debit card Interchange

Comments:

January 24, 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 am very concerned with the idea that Congress is interfering in the free enterprise system by regulating interchange.

The Visa system allows merchants to have a no risk transaction and now they want it at an unreasonably limited fee. All they are required to do is reasonable ck ID and they are assured of payment. The item will not be returned if authorized and the customer is identified. So now they don't want to pay for that security and you are saying yes. That is ridiculous.

The 12 cent interchange CAP you are proposing does not come close to covering the losses incurred by Credit Unions or banks in offering this service to consumers, not to mention the security and technology needed to support such a complex system.

If Merchants do not want to pay a reasonable fee for a no risk transaction they can choose not to offer the service, just as they do with American Express and if they choose not to offer the service the consumer can then choose to do business with them or not.

If you move forward we will end up going back to paper intensive system, increase fraud and limit the availability of financial services.

Please do not support this ridiculous legislation.

Sincerely,

Catherine Gordon