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Subject: Reg II - Debit card Interchange

Comments:

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Comments:

I am writing to urge the Fed to reconsider the cap on interchange fees. I won't bore you by reiterating the template responses you have undoubtedly received and will continue to receive. I understand "why" the issue was examined. I am just bewildered how quickly it was examined, how narrowly it was examined, and how naive the response was to it. Putting aside the government intervention aspect, I would think and hope that proposals like this would take into account the "realistic" impact that will take place rather than the "political" impact of the proposed legislative change. What is the goal here, after all? We know that the two-tier approach will not offer relief to banks with smaller assets. It will adversely impact community bank profitability which will do one, if not all of many things: reduce staff levels or curtail hiring, increase consumer fees, eliminate consumer-attractive programs such as rewards programs, discourage a payment method that is much more efficient (not to mention safer for consumers than carrying cash), and eventually force credit/debit card issuers and banks to reduce/shift/eliminate fraud protection for consumers ... in an era where identity theft and fraud is explosive. Please tell me how any benefits of this proposed legislation outweigh the inevitable fallout?