

From: Lake Region Bank, Mel Haats  
Subject: Reg I I - Debit card Interchange

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Comments:

February 23, 2011

Jennifer J. Johnson  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

Dear Jennifer Johnson:

Thank you for the opportunity to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule.

I wonder if anyone has thought about requiring ALL transactions be PIN based? A cap on these would not be so bad because there is so little fraud - which is where quite a bit of interchange income goes: to cover fraud loss.

Any merchant who choses to continue to accept signature based transactions would be required to pay at the current interchange rate - or more!! These are transactions that cause the loss to the banks.

If you want to control something, this would be a place to start - controlling the banks' potential for loss due to card fraud!

Mel Haats  
Lake Region Bank