

From: Mary Dodge  
Subject: Reg I I - Debit card Interchange

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Comments:

Date: Feb 21, 2011

Proposal: Regulation II - Debit Card Interchange Fees and Routing  
Document ID: R-1404  
Document Version: 1  
Release Date: 12/16/2010  
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Comments:

Dear Federal Reserve Board: I am very concerned that if you move forward with this interchange regulation and reduce interchange fees, you will hurt the processors and force the cost to be passed on to people like me who buy products. To compensate for the extremem reduction in interchange, I can see banks charging higher fees, or coming up with new fees. I can also see banks doing away with things like free checking (which both my husband and I use), and charging more for all bank services on a monthly or per transaction basis. Card programs cost money to run. Someone has to reconcile all the transactions, man phones for questions, look into issues of fraud or misuse of cards. How is all of this going to be paid for? Isn't it much more prudent to charge for the use of the cards at the time they are used, rather than imposing higher fees on people who may or may not use those services (i.e., charge for bank services which are not related to the use of a debit or credit card)? Taking fees away from the businesses that are running the programs and serving consumers will not mean better prices at the retailers as there is no requirement that the savings be passed on to the consumer. The retailers will just pocket the savings, and the consumer will get charges more by financial institutions that run the programs. Please, re-evaluate this regulation. I feel that it is a decision that is being made in haste and the full impact has not been considered. Sincerely,