



February 17, 2011

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

Re: Docket No. R-1404

Dear Secretary Johnson:

Cedar Falls Community Credit Union, a credit union with less than \$85 million in assets, is compelled to write concerning the Federal Reserve Board's proposal regarding the regulation of debit card interchange fees and routing.

We are faced with ever increasing competition from much larger financial institutions and the Fed's proposal would have a huge impact on our credit union and other credit unions offering debit card services. We may be discussing the survival of small credit unions like ours.

We are familiar with the alleged exemption of less than ten billion dollars but from our vantage point we must question the validity of that provision. There appears to be 'loopholes' for parties to debit card transactions that could very easily circumvent the spirit of that provision.

We would support the two-tiered system if the regulation is written as to guaranteeing the structure will protect and sustain smaller credit unions. Over the past several years we have been impacted by the cost of fraud and it is disappointing to read that fraud is not considered to be part of the cost calculation that imposes a cap on debit card interchange income.

Our projections are that under the proposed regulation our interchange income will be reduced by at least 71% and for our credit union that has a growing debit card program, our financial forecast grows quite dim. It is easy to say that other members must be exposed to additional fees and charges but it is far more difficult to explain those potential charges to members that are being imposed by regulation.

We urge the Federal Reserve to re-consider the impact of this proposal and allow additional time to consider the ramifications of ever increasing legislation and regulation.

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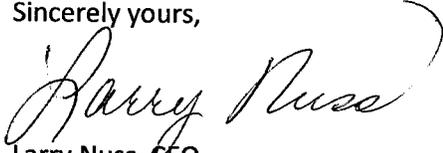
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Thanking you for the opportunity to submit concerns, we are,

Sincerely yours,

A handwritten signature in black ink that reads "Larry Nuss". The signature is written in a cursive style with a large, sweeping flourish at the end.

Larry Nuss, CEO

Cedar Falls Community Credit Union

PO Box 1009

Cedar Falls, IA 50613