

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

Re: Docket No. R-1404 and RIN No. 7100 AD63

February 15, 2011

Board of Governors of the Federal Reserve System,

I would like to thank you for the opportunity to allow commentary on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule.

In general I am very concerned about the state of our economy. It is clear that this new rule will create new fees and charges from my financial institution for services I have received free for many years. With the reduction of interchange fees, I know banks will probably reduce/eliminate many of their free services. As a consumer, I cannot afford to pay for something I have been accustomed to receiving for free and that the government/merchants have pushed for me to do-have checks be almost inexistent and use a debit card for faster payment and to only use money that I readily have available in my account.

As a consumer of this nation I don't think I should be charged for a debit card, especially since it has always been a free service from my bank. Restricting interchange fees will cause for banks to make up for lost revenue by charging for debit cards.

On this new rule: Who are the beneficiaries? The only beneficiaries are retailers, who will take home an additional \$15 billion in profits. Consumers will have to face the consequences. This rule does not require retailers pass even one penny of their savings to its customers. Yet, banks, forced to lose money on debit interchange transactions, will be forced to increase fees for deposit customers to make up some of the lost revenue.

Retailers receive many benefits when they accept debit cards for payment, including guaranteed payment, lower costs and higher sales. I don't want to have to pay higher

fees and lose my free checking account just so retailers can have that extra \$15 billion in profits.

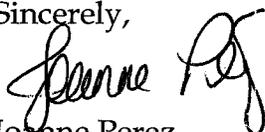
This rule is a government imposed price control. It will not allow my bank to fund operational costs for services like Free Checking and Mobile Banking. The debit card is a fundamental part of everyday life. Most consumers use it to buy most products and services. This rule will virtually make the debit card program unprofitable; resulting in banks charging directly to the consumer on a per transaction or a monthly fee (or at most both).

If debit card use declines and customers return to using cash and checks, the very merchants who cried out for this transfer of cost will find a huge jump in processing expenses at their stores because of the increase in checks and cash they will now need to handle. None of the so called benefits of this cost transfer from the merchants to the banks will be passed on to the consumer.

We as a nation have always said that we should learn from others as to what to do and not to do. Interchange restrictions have been passed in other countries with no benefit to the consumer. This rule is NOT intended to protect consumers, it is simply a Government price control; which is inappropriate for debit card transactions and will not work.

Thank you for your time and hope you consider my comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne Perez", with a stylized flourish at the end.

Joanne Perez