



February 17, 2011

The Federal Reserve Board
20th Street and Constitution Ave., NW
Washington, DC 20551

Re: Docket No. R-1404 - Federal Regulations II

Dear Sir or Madam:

I am writing to express my concern for SPC Credit Union and all Credit Unions with regard to the proposed regulation of debit interchange fee income, and to request the Board delay its rulemaking process.

In the event Congress does not elect to delay implementation, we encourage the Board to adopt routing "Alternative A" which would only require issuers to provide debit cards that can be used over two unaffiliated networks, such as a pin-based network and an unaffiliated signature-based network. We would, also, encourage the Board to adopt regulations detailing the enforcement of the exemption and requiring that networks enforce the exemption under their network rules. Due to the regulations fixed pricing, there is no allowance for the cost to credit unions for fraud and security related expenses. All financial institutions experience loss to their bottom line as a result of fraudulent debit card activity.

If this regulation is carried forward in its present state, it is going to have a negative impact on not just the credit unions but members as a whole. Our Credit Union is still working very hard to restore capital lost over the past two years. Loss of interchange revenue will likely impact the services we offer our members. It will move services from no cost/low cost to new/increased fees, higher loans rates and lower dividend rates.

Sincerely,

A handwritten signature in cursive script that reads "Linda R. Jordan".

Linda R. Jordan
Vice President -- Member Services

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