



January 28, 2011

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

Re: Regulation II - Debit Card Interchange Fees and Routing

Dear Federal Reserve Board:

My credit union is very concerned with the Federal Reserve Board's recently proposed regulation that would regulate debit card interchange fees and routing. The Fed should implement reasonable interchange regulations that will allow small issuers to continue to be protected from lower interchange fees.

We are concerned that the proposal does not include provisions to enforce the small issuer exemption. We urge the Fed to use its authority to reinforce the small issuer exemption and ensure that it works as Congress intended.

If an even playing field is not established, we may see a banking system devoid of smaller financial institutions which would not be beneficial for the American people.

The proposed debit interchange rates also concern us, especially if the establishment and maintenance of a two-tiered structure cannot be assured. The Fed should consider all costs of operating a debit interchange system to the maximum extent allowable by law, including all fraud prevention costs such as the cost of new technology that reduces potential fraud.

Sincerely,

A handwritten signature in black ink that reads "Scott Brothers". The signature is written in a cursive, flowing style.

Scott Brothers