

September 19, 2011

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

701 North Brand Boulevard
Glendale, CA 91203-1295
californiacu.org
(800) 334-8788

Re: Docket No. R-1404 and RIN No. 7100 AD 63
Debit Card Interchange Fees and Routing

California Credit Union is please to submit our comments to the Board of Governors of the Federal Reserve System on the Debit Card Interchange Fees and Routing specifically Section 235.5 Fraud – Prevention Adjustment.

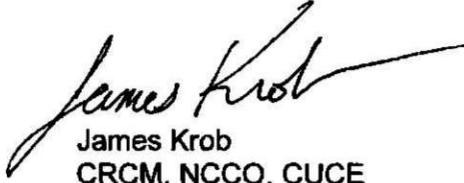
California Credit Union is a state chartered institution serving the education community in the Los Angeles metropolitan area since 1936. California Credit Union is approximately one billion dollars in assets and is serving seventy-nine thousand members. The credit union offers consumer loans, real property loans, member business loans, and a vast array of share accounts to serve our members.

Overall, California Credit Union agrees with the Board of Governors of the Federal Reserve System on the Debit Card Interchange Fees and Routing specifically Section 235.4 Fraud – Prevention Adjustment. We recommend that the Board of Governors of the Federal Reserve System clarify that this section does not apply to the exempted institution (institutions less than \$10 billion or government programs). There is no mention in the fraud – prevention adjustment section that the exemption applies. We agree that the smaller institution should still try and prevent fraud but the small institutions would not be able to cover the expenses of the fraud prevention at the lower rate.

Conclusion

California Credit Union is committed to working with the Board of Governors of the Federal Reserve System goal to promulgate clear, understandable regulation that impose minimal regulatory burden. We appreciate the opportunity to participate in the rule making process. California Credit Union is willing to assist in this initiative in any way we can.

Sincerely,

A handwritten signature in black ink that reads "James Krob". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James Krob
CRCM, NCCO, CUCE
Director of Regulatory Compliance
California Credit Union
701 N. Brand Blvd, Suite 700
Glendale, CA 91203