

From: Oklahoma Employees Credit Union, Brian Gebard
Proposal: 1404 - (RIN 7100-AD63) - Reg II - Debit Card Interchange Fees and Routing (Version 2)
Subject: Reg II - Debit Card Interchange Fees and Routing

Comments:

Date: Sep 08, 2011

Proposal: Regulation II - Debit Card Interchange Fees and Routing
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Name: Brian Gebard
Affiliation: Oklahoma Employees Credit Union

Comments:

Date: September 8, 2011 To: The Federal Reserve Board 20th and Constitution Avenue Northwest Washington, DC 20551 From: Brian Gebard, VP Oklahoma Employees Credit Union PO Box 24027 Oklahoma City, OK 73124 T: 405-602-1126 F: 405-602-6337 E: brian.gebard@oecu.org Re: Regulation II - Debit Card Interchange Fees and Routing [R-1404] To Whom It May Concern: On behalf of Oklahoma Employees Credit Union (OECU) and the 40,000 consumers who are members of the credit union, I am writing to you regarding our concerns related to Debit Card Interchange Fees and Routing. Thank you for increasing the proposed cap, which OECU believes to have been far too conservative. This is important as, although there is a two-tier system in place to protect smaller institutions, we believe market forces will ultimately cap such income at all institutions. In OECU's experience, to cap debit interchange income at \$0.24 would be insufficient to cover expenses, particularly as fraud losses on these transactions have continued to increase in recent years. The cap has already led many financial institutions to limit or remove reward programs, eliminate free checking accounts or debit cards, and more, with additional changes sure to come. Additionally, merchants receive many benefits from being able to process debit cards-processing less cash and fewer checks, accommodating more customers, and increasing average ticket sizes, for example. If these benefits did not outweigh the costs, the merchants could have refused to accept debit cards or charged a processing fee at any time, but few did. OECU appreciates the opportunity to comment on these issues. Should you have any questions or concerns, feel free to contact me to discuss. Sincerely, Brian Gebard