

Proposal: 1748 (AG15) Regulation II - Debit Card Interchange Fees and Routing

Description:

Comment ID: 139953

From: Beth Patla

Proposal: 1748 (AG15) Regulation II - Debit Card Interchange Fees and Routing

Subject: R-1748; Regulation II - Debit Card Interchange Fees and Routing

Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Secretary Misback,

I disagree with the Federal Reserve's proposed rule to make changes to Regulation II, as it will impact credit unions. My credit union, L.E.O Credit Union, Painesville, Ohio, with an asset size of \$14,900,000, is particularly vulnerable to regulatory changes which combine new compliance costs with reductions in fairly-earned revenue.

The Proposal Would Increase Compliance Costs for Credit Unions

The Proposal Would Increase Fraud Costs

The Proposal Would Decrease Competition Among Debit Networks

Conclusion

The provisions of Regulation II have significant negative effects on consumers and credit unions and should not be expanded in any way. I would rather spend my resources offering customers new options like faster payments systems that are becoming available now than the distraction of revisiting my Durbin Amendment compliance posture.

I strongly encourage the Federal Reserve to withdraw the proposed rule to expand routing controls to card-not-present debit transactions and the requirement to have two debit networks for routing.

Thank you for the opportunity to submit comments on this matter.

Sincerely,

Beth Patla
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Painesville, OH 44077