

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

Description:

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Comment ID: 140841

From: Sarah Lopera

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

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

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Comments:

Date: Aug 06, 2021

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Proposal: Debit Card Interchange Fees and Routing [R-1748]

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First name:

Middle initial:

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Affiliation (if any):

Affiliation Type: ()

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Your comment: Dear Board of Governors of the Federal Reserve System Members, I welcome the opportunity to comment on Debit Card Interchange Fees and Routing. I urge the Federal Reserve Board of Governors to take immediate action to enforce the routing competition provisions and reduce the regulated debit rate as required by law. In the request for comment, the Board correctly notes that Regulation II specifically "...prohibits an issuer or payment card network from directly or indirectly restricting the number of payment card networks on which an electronic debit transaction may be processed to fewer than two unaffiliated networks." However, currently only 6% of online debit transactions are being processed by single-message networks. This is a clear indicator that merchants are routinely not able to access a second debit network when the purchase occurs online, and it is imperative for the Board to take immediate action to enforce the law. I support the Board in making it clear that the law applies to all debit transactions, including e-commerce, or Card Not Present.

Vigorous enforcement of the law, regardless of where the transaction occurs, will ensure merchants will have choices amongst debit networks moving forward. Thank you again for the opportunity to provide comments on the proposed clarifications, and I strongly encourage the Board to act quickly on both enforcing the routing law and reducing the regulated debit rate. Sincerely, Sarah Lopera