

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

Description:

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Comment ID: 140755

From: Farmers Savings Bank, Rikki Garrett

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

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Comments:

NONCONFIDENTIAL // EXTERNAL

In response to Request for comments on Reg II:

Reg II requires access to additional payment networks with the non exclusivity provision requiring debit cards to be enabled on two unaffiliated card networks.

Since Reg II has been enacted issuers have not been compliant with access to the two non affiliated networks with CNP transactions. CNP transactions have increased significantly since late 2019 due to the pandemic. New technology has allowed for multiple networks to be available to process the CNP transaction either with a single message network or dual message network. Clarifying the requirement of the two unaffiliated networks with CNP transactions will help to route the transaction more efficiently.

The advancement in technology has created the need to further clarify how Reg II has been applied in the debit transaction market for all debit transactions through any point of interaction with any type of consumer authentication.

"Means of access" when referred to in Reg II needs further clarification to include current and future forms of access to the debit card network in order to maintain consistency with the routing of the transactions.

Thank you for the opportunity to provide feedback regarding Reg II.

Rikki

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