

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Description:

---

Comment ID: 158570

From: Credit Union of Colorado, Phil Smith

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Subject: 1818(AG67) Debit Card Interchange Fees and Routing

---

Comments:

Date: Feb 10, 2024

Proposal: Regulation II: Debit Card Interchange Fees and Routing [R-1818]

Document ID: R-1818

Revision: 1

First name: Phil

Middle initial:

Last name: Smith

Affiliation (if any): Credit Union of Colorado

Affiliation Type: ()

Address line 1: 8959 East 40th Avenue

Address line 2:

City: Denver

State:

Zip: 80238

Country: UNITED STATES

Postal (if outside the U.S.):

Your comment: I am writing to express my strong opposition to the proposed Debit Interchange Cap, also known as Reg II. This is an urgent matter that is impacting not only the Credit Union of Colorado but also all financial institutions in the communities we serve. Credit Union of Colorado is deeply committed to serving Colorado's communities, and we take pride in offering our members convenient and comprehensive financial services. With 19 full-service locations throughout the state, featuring lobby service centers, drive-up tellers, and access to over 50,000 fee-free ATMs, we strive to provide our members with the highest level of convenience and accessibility. Additionally, we offer mobile banking with remote check deposit and access to Zelle, a fast, safe, and easy way to send money from your mobile banking app or online banking account. As a stable, member-owned financial institution with over 85 years of experience, Credit Union of Colorado manages over \$2 billion in assets and

employs 400 dedicated individuals. Our core mission is to serve our community, focusing on equity, education, and the environment, with the aim of making a lasting impact. We are here to help our members live their best financial lives, supporting them through challenges and helping them achieve their goals. I am opposed to the revision proposed by the Debit Interchange Cap for the following reasons: We are experiencing increasing pressure and a lack of growth in interchange income. This reduction in income directly affects our ability to provide valuable services to our members, hindering our ability to fulfill our core purpose of providing financial equity to our communities. The heightened risks of default and growing fraud have compelled us to consider more restrictive measures for our members to protect the assets of our entire membership. The increased risk and reduced income threaten our ability to effectively serve our communities and fulfill our mission. Despite being under the \$10 billion asset threshold, we have already witnessed significant impacts from the previous legislation that have limited our ability to innovate and provide new solutions in our payment products due to high costs. The proposed Debit Interchange Cap will further exacerbate these challenges, leaving us with limited flexibility to adapt to the evolving needs of our members. With the rise of alternative payment methods, our members have a choice. When they choose to use their debit card, it is for the ease of use and the protections it provides. Reducing the revenue that pays for the systems and staff delivering that experience will force our not-for-profit institution to increase unrelated fees to continue operating sustainably. This will have a direct impact on our members, many of whom rely on our services to navigate their financial journey. In conclusion, I strongly urge you to reconsider the implementation of the Debit Interchange Cap. The proposed revision poses a significant threat to the financial stability of Credit Union of Colorado and other financial institutions alike. We are dedicated to serving our members and communities, and this cap will hinder our ability to fulfill our mission effectively. I kindly request that you take these concerns into serious consideration and work towards a solution that supports the sustainability and growth of our institutions while continuing to serve our communities' best interests. Thank you for your attention to this matter. I would appreciate the opportunity to discuss this further and provide any additional information that may be helpful. Please feel free to reach me at (303) 812-1824 or [smithp@cuofco.org](mailto:smithp@cuofco.org).

Sincerely,

Phil Smith  
President Credit Union of Colorado