

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

Description:

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Comment ID: 159206

From: Mid Minnesota Federal Credit Union, Bob Gerads

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Comments:

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

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Your comment: The proposed amendments to the debit interchange fee cap will harm credit union issuers and their members. The proposed rule is predicated on a flawed methodology that disregards the cost experience of card issuers. Moreover, the ultimate effect of reducing interchange revenue will be felt most by the member-owners of credit unions who will lose access to affordable banking products and services. The proposed rule will also hurt more than just covered credit union issuers. The Durbin Amendment's "exemption" of smaller financial institutions has proven to be largely illusory, as the Federal Reserve's own data shows that regulatory thresholds in the interchange market do not insulate smaller issuers from harm. The Board must halt this rulemaking so that a baseline of timely, accurate, and comprehensive data about the effect of existing regulations can be developed and analyzed before further action is taken on new rules related to debit card interchange.