GUSTAVE WOEPPEL

Proposal and Comment Information

Title: Regulation II: Debit Card Interchange Fees and Routing , R-1818

Comment ID: FR-0000-0095-01-C604

Subject

RE: Docket No. R-1818, RIN 7100-AG67

Submitter Information

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Submitted Date: 11/04/2025

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Board of Governors
The Federal Reserve
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Federal Reserve Board of Governors,

I am writing you today to express my strong opposition to the Federal Reserve's Regulation II rule. This proposal to lower the cap on debit card interchange fees threatens access to affordable banking products and services. I urge you to reconsider this misguided policy and withdraw the proposed Reg II rule.

Debit cards are one of the most accessible financial tools that allow Americans to make electronic payments, participate in the digital economy, and carry less cash. The revenue generated by debit card interchange fees helps banks offer free checking accounts, robust fraud prevention and protection benefits, and affordable access to banking.

Lowering the cap on debit card interchange fees would ultimately hurt all Americans. It would become harder for banks, large and small, to offer the financial products that many families and small businesses have come to rely on. As a result, millions of Americans may have to pay for services that are currently funded by interchange fees.

We've already seen the harm this policy could have. When the Fed capped interchange fees in 2011, cardholders lost rewards and corporate megastores made even more money and did not pass those cost savings onto consumers. 98% of retailers did not lower prices, according to a study by the Richmond Fed.

Families and small business owners who rely on debit cards should not be asked to subsidize the largest corporate megastores in the country. Please consider the impact that this proposal may have on consumers, including low-income consumers, and protect access to affordable banking products and services.

In closing, thank you for your consideration of these points as to why the Federal Reserve should withdraw the proposed Reg II rule.

Respectfully,
Gustave Woeppel