

**Meeting Between Federal Reserve Board Staff
and Representatives of the Credit Union National Association (CUNA)
June 3, 2011**

Participants: Scott Alvarez (Federal Reserve Board)

Mary Dunn, Jane Watkins and Tom Dougherty (CUNA); and
Gil Swartz (Swartz & Ballen)

Summary: Staff of the Federal Reserve Board met with representatives of CUNA and two small credit union members to discuss the interchange fee provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Act”). CUNA’s representatives reiterated several of the concerns and other points addressed in CUNA’s public comments to the Board’s proposed rule to implement the interchange provisions of the Act.

As part of this discussion, CUNA’s representatives raised concerns regarding the impact of the Board’s proposed rule on small issuers, government-administered programs and reloadable debit cards and explained the potential effect of the proposal on two small credit unions. Among the concerns raised by CUNA’s representatives were: whether merchants and networks will be willing and able to accommodate interchange fees for small issuers that do not conform to the lower fees expected for large issuers; and the extent to which small issuers will be forced to incur sizeable costs in order to participate in multiple networks under the prohibitions and routing restrictions. CUNA’s representatives represented alternatives described in detail in CUNA’s written comments that, in CUNA’s view, would expand the set of allowable costs and help the Board in determining the effectiveness of the small-issuer exemption.