

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

Description:

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Comment ID: 160466

From: Affinity Federal Credit Union, William M. Anders

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

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

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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: Dear Secretary Misback, I write to you on behalf of the 231K Members and 500+ Employees of Affinity Federal Credit Union. Our \$4B organization has been serving Members in New Jersey, New York and Connecticut since 1935. We offer a full suite of financial products that help Members achieve financial wellbeing. The proposed regulation II, although not directly impacting AFCU, will impose greater stress on Consumers across the nation. Outcomes have shown from prior, poorly devised legislation, that consumer facing businesses who rely heavily on debit card payments will reap lower interchange benefits without passing along savings to their customers. Indirectly, this legislation is likely to impact our Members "downstream" - as large banks adjust tactics to meet their obligations to the Street to focus on other income streams, ultimately suppressing debit card volumes across the entire industry. AFCU depends on interchange income because we provide more consumer benefits to our Members in the form of lower fees, higher savings interest rates and reduced loan interest rates than most, if not all, retail banks. When industry debit card payment volumes go down, Affinity loses income and reduces the support that we can provide to our Members. Regulation II will result in outcomes that boost corporate earnings, hurt the American consumer, and erode the effectiveness of financial institutions like credit unions and other community banks. As before, this legislation, although well-meaning, is another overstep of the federal government that will deliver damaging repercussions throughout the financial industry. Thank you, William M. Anders, III Head of Payments, Affinity Federal Credit Union.