

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

Description:

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Comment ID: 160464

From: Chad M. Bollinger

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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: As the Chief Financial Officer at Credit Union of Colorado, I strongly oppose the Debit Interchange Cap, also known as Reg II, and urge the Federal Reserve Board to reconsider its implementation. Credit Union of Colorado, with its long-standing commitment to serving our community, is deeply concerned about the potential negative impacts this regulation could have on our ability to fulfill our core purpose of providing financial products and services to our members. First, we are already experiencing increasing pressure and a lack of growth in interchange income. This reduction in revenue stream will limit our ability to invest in new technologies and innovative solutions that can enhance the banking experience for our members. It will also hinder our ability to effectively compete with larger financial institutions. Second, the heightened risks of default and growing fraud have forced us to consider more restrictive measures to protect the assets of our entire membership. The increased risk coupled with reduced income threatens our ability to maintain financial stability and meet the needs of our community. Third, despite being under the \$10 billion asset threshold, we have already witnessed significant impacts from previous legislation that have limited our ability to provide new payment solutions due to high costs. The implementation of the Debit Interchange Cap would only exacerbate this issue, further stifling our ability to innovate and adapt to changing member demands. Last, our members choose to use their debit cards for the ease of use and the protections they provide. By reducing the revenue that supports the systems and staff delivering this experience, we will be forced to increase unrelated fees, directly impacting our members and undermining the affordability and accessibility of our services. In conclusion, Credit Union of Colorado strongly opposes the Debit Interchange Cap and urges the Federal Reserve Board to reconsider its implementation. We believe that this regulation will hinder our ability to fulfill our mission of providing financial products and services to our communities, and will ultimately have a detrimental impact on our members and their financial well-being. We appreciate your consideration of our concerns and request a thorough reevaluation of this proposed regulation. Thank you for your attention to this urgent matter.