

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

Description:

Comment ID: 159691

From: Freedom Credit Union, Ken Payne

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

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

Comments:

Date: May 10, 2024
Proposal: Regulation II: Debit Card Interchange Fees and Routing [R-1818]
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Your comment: I want to share my opposition to the proposed rule to reduce interchange rates under Regulation II. I know many comments have been submitted by industry groups outlining arguments against this proposal. I will focus my comments on how I fear this proposal would impact our credit union.

Freedom Credit Union was founded in 1956 to serve the employees of Provo City School District. We currently serve approximately 4,000 members of our community. We pride ourselves on providing excellent service and maintaining low fees.

We rely on interchange income to support the cost of providing free checking accounts and other vital services to our members. Reductions in interchange income will almost certainly require us to make changes that will adversely impact our members. We would need to consider reducing deposit rates, increasing loan rates, or eliminating free services on which our members rely.

I do not believe it is an exaggeration to consider the possibility that many smaller institutions, including mine, will find it impossible to maintain viability with continued downward pressure on many revenue sources. I share the concern with many in my industry that reductions in interchange revenue will accelerate the trend of credit unions merging out of existence. I am sure that is not what is intended by this regulation.

For these reasons, I urge the Board to reject this proposal.

Thank you for your careful consideration of this issue.

Signed,
Ken Payne
President/CEO
Freedom Credit Union (UT)