Debit Comment Letter Talking Points

**What to Include in Your Comments**

* Introduce your business, number of stores, state(s) in which you operate, and other relevant facts about your business (such as how long you have been in business, is it family-owned, the important role it plays in the communities you serve, etc.)
* I support the Federal Reserve Board taking action to reduce the maximum debit interchange fee for debit card issuers and to establish a regular process for updating the interchange fee limit every other year.
* However, the new proposed fee limits are still much too high. The limits should be made even lower when the Fed writes its final rule.
* Interchange fees, or swipe fees, are a significant challenge for our business. In fact, swipe fees are our second-highest operating cost after labor.
  + *Include information on how much your business pays in swipe fees, either overall or just in debit swipe fees*
* The debit fee limits that the Fed established in 2011 were higher than they should have been then, and debit issuer costs have fallen by about half since then.
* The Fed’s proposed rulemaking is a step in the right direction, but the rate is still too high. It allows the largest banks who have the vast majority of debit transactions to enjoy a debit interchange windfall that nearly quadruples the amount of their costs.
* This is neither reasonable nor fair to merchants, like me, and our customers who are forced to pay higher prices when swipe fees are fixed at windfall levels.
* I also support the Fed’s proposal to begin updating the debit swipe fee limits every other year, especially since the limits have not been touched since they were put into place 12 years ago.
* However, the Fed must carefully monitor the cost data that is submitted by the big banks to make sure they don’t try to manipulate the system by inflating or misrepresenting their costs.
* The proposal to reduce the fees to cover fraud losses should also be adjusted.
* The Fed’s own data shows that merchants now pay for more fraud losses than issuers pay. That is a major shift since the Fed finalized its rule.
* So, there should not be any fees charged to merchants to cover issuer’s fraud losses. If there is to be any reimbursement to cover fraud losses, it should be paid by issuers to merchants – not the other way around.
* Conclude with a sentence or two on why reining in swipe fees will benefit your business.
* Thank the agency for their consideration of your comments.