



**NATIONAL ASSOCIATION OF NEIGHBORHOODS**

March 14, 2011

The Honorable Shelley Moore Capito  
Chairman  
Subcommittee on Financial Institutions and Consumer Credit  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Capito:

In light of the recently proposed Federal Reserve rule on debit card interchange fees, the National Association of Neighborhoods (NAN) has concerns about the unintended social and economic consequences the proposed rule may have on consumers, particularly those in low-income neighborhoods.

NAN is not concerned with protecting the profits of big banks or big box retailers in this fight over transaction fees when using debit cards. However, NAN is concerned that consumers, in a growing number of at-risk neighborhoods, cannot afford to pay any more money to either side -- people are "tapped" out.

NAN applauds and supports the Wall Street Reform and Consumer Protection Act, designed to provide much needed oversight of financial institutions and to help consumers. We also support its intentions and most of its goals, but we are apprehensive that the debit card rule may have unintended effects -- higher prices for goods and financial services.

Even though the Debit Card Amendment moved quickly through Congress, NAN believes that there is no urgent need to rush the proposed rule's implementation. Instead, we encourage you to request a study to determine the full effect of the proposed policy. In the midst of this fragile economy, NAN feels it would be better to first study how this rule will impact consumers.

Thank you for considering our views.

Sincerely,

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Executive Director

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