



June 30, 2010

Dear Valued Member,

## **INTERCHANGE AMENDMENT**

This has been a challenging year for our credit union industry. Congress forgets that credit unions did not create the economic problems. Congress is voting on the Financial Reform Bill which will have a new set of regulations that will impact us all.

Most recently, our credit union industry has been fighting an amendment to the Financial Reform Bill dealing with **interchange**. Senator Durbin's (Ill-D) amendment to the bill would ultimately allow the government to control the swipe fees set by large credit card companies, like Visa and MasterCard. This amendment would give the Federal Reserve Board regulatory authority to determine whether an interchange fee was "reasonable and proportional" to the actual cost incurred by the (credit or debit) card issuer or payment card network with respect to the relevant transaction. The amendment, should it become law, would restrict the ability to deliver a basic, cost-effective payment option to members by implementing pricing controls on interchange fees related to debit and prepaid card products. The amendment could also create consumer confusion at the point of sale, which could possibly lead to decreased debit card usage. We recognize the adverse effect this legislation poses for Southland Federal Credit Union and its members and will fight to preserve our ability to deliver secure, convenient, market-driven payment choices to members. During May 2010 and into June 2010 our website hosted a link encouraging our members to contact their Congressman to remove this amendment. At the time of the writing of this letter, it was unclear if the retailers who are behind the push along with support from Senator Durbin (Ill-D) if this amendment would be pulled. If signed into law our credit union industry believes the consumer will ultimately be affected by this. Be sure to check our website under the WHAT'S NEW section or the President's Letter for more information.

## **OPT IN YET?**

Every member with a SFCU debit card/checking account needs to respond. Information and the opt in form can be found on our WHAT'S NEW page. You can also contact Lenzie Berwick, Member Services Account Supervisor at 936-639-2311 ext. 234. Don't be left out and not have protection on your account be sure to **opt in** today! Deadline to respond is August 14, 2010.

## **FINANCIAL STRENGTH**

Your money is safe & secure with us. SFCU financial strength continues to grow. Loan growth continues to be steady and membership is up as well. We know you have a choice where you do your banking....*"thank you"* for using SFCU and telling others about us. It is because of **you** SFCU is making a difference in the members we serve.

Sincerely,

Jonathan P. Matthews  
Chief Executive Officer

"Where People helping People really matters!"  
[www.southlandfcu.com](http://www.southlandfcu.com)