

### The SDBA is offering a limited sponsorship opportunity in its SDBA E-News.

The SDBA E-News is a weekly electronic newsletter distributed on Thursdays to more than 1,500 subscribers, as well as posted on the SDBA's homepage at [www.sdba.com](http://www.sdba.com). The SDBA E-News contains brief articles on SDBA, state and national industry news and events.

The SDBA is offering companies the opportunity to sponsor the SDBA E-News. A sponsorship includes a sponsorship heading, a sentence of up to 20 words about the company,

the company's logo and a link to the company's website. The information will appear in a box prominently at the top of the E-News.

The cost for members and associate members to sponsor the SDBA E-News is \$200 per month of sponsorship. The cost for non-members is \$300 per month of sponsorship.

Sponsorships are limited to one per month, so reserve your space now. For more information or to place a sponsorship, contact Alisa DeMers, at [ademers@sdba.com](mailto:ademers@sdba.com) or call (800) 726-7322 or (605) 224-1653.

[Education](#) | [SD Banks](#) | [Classifieds](#) | [Protective Alerts](#) | [Vendors](#) | [Contact Us](#) | [Search](#) ▶ [Home](#)



## SDBA E-News

Your weekly source for SDBA, state and national industry news and events.

---

Volume 10, Issue 26 June 30, 2011

### Fed Adopts Improved Debit Interchange Rule

The Federal Reserve approved a final debit-card interchange rule that caps an issuer's base fee at 21 cents per transaction and allows an additional 5-basis-point charge per transaction to help cover fraud losses. The Fed also issued an interim final rule that allows a fraud-prevention adjustment of 1 cent per transaction based on an issuer adopting effective fraud prevention policies and procedures. The Fed also adopted requirements for issuers to include two unaffiliated networks for routing debit transactions -- one signature-based, one PIN-based. The effective date for the final and interim final rules on the pricing and routing restrictions is Oct. 1.

For an average \$40 transaction, the new combined rate of 24 cents -- including the fraud-loss surcharge -- enables issuers to recover twice as much as they would have been allowed under the Fed's original 12-cent price-cap proposal. Because the 5-basis-point adjustment for fraud losses will fluctuate with the size of the transaction, the interchange level will also fluctuate. The new pricing, however, is still about a 45 percent reduction from current market rates and will hurt revenue at all banks, including community banks.

This SDBA E-News is sponsored by:



The Advantage Network  
A regional provider of EFT services. Products and services include debit programs, ATM driving and monitoring, and in-house card production.