

# THE FED GIVES JP MORGAN CHASE ANOTHER MULTI- BILLION DOLLAR BAILOUT

Remember that swipe fee measure that passed the Senate twice? It lowered the amount credit card companies can charge merchants to \$.12 a transaction. It was a stunning victory that retailers (which admittedly includes WalMart but also includes your locally owned business struggling to stay in business) won that battle twice.

Well, lucky for the banksters, they had one more ace in their pocket: The Federal Reserve, which just cut the baby in half and set transaction fees at \$.21 plus some anti-fraud amounts.

The Federal Reserve is set to limit the fees that banks charge retailers for swiping debit cards to 21 cents, a higher cap than initially proposed.

Banks succeeded in convincing the Fed that its initial proposal of 12 cents was too low after a six-month lobbying blitz. They currently charge an average of 44 cents per swipe.

The Fed will formally adopt the rule Wednesday, which was required under the financial regulatory law enacted last year. The rule takes effect Oct 1, later than expected.

In addition to the 21-cent cap, the rule will also allow banks to charge a fraction more to cover the costs of fraud prevention.

Good thing the Fed is purportedly insulated from politics. Because otherwise that 6 month

lobbying campaign would be responsible for the Fed caving where even our craven Congress did not.