



Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW.
Washington, DC 20551

Re: Docket No. R-1404 and RIN No. 7100 AD63

Dear Ms. Johnson,

As President & CEO of Landmark Bank, N.A., a locally-owned community bank based in Columbia, Missouri, I am writing to express my concerns and strong opposition to the proposed debit card interchange and routing rule changes. Landmark Bank serves approximately 70,000 customers in Missouri, Oklahoma, and Texas with \$1.5 Billion in total assets. In all of the markets we serve, of which most are small rural communities with populations between 2,000 and 15,000, our organization is an active supporter of the community and strives to meet our customers' expectations of a community bank. Our 609 employees in 37 locations play an integral role in our clients' every day banking needs by assisting small businesses in their efforts to prosper and grow, helping new families purchase their first home, and guiding many customers through important investment decisions for their retirement, as well as providing basic access to the funds held in their checking accounts.

Our bank is opposed to the proposed rule for many reasons, a few of which I've outlined below.

The Federal Reserve's proposed implementation of the Durbin provisions of Dodd-Frank is, in essence, price fixing by the government. The proposal would initially cap interchange at 12 cents per transaction, a rate approximately 80 percent lower than current rates and is insufficient to cover the costs of providing debit card services. The proposed rule went much further than the law. Rather than establishing standards for assessing interchange rates as required by Dodd-Frank, the Federal Reserve's proposal imposes specific fee limitations.

Another concern is that while Landmark Bank (and community banks like us) is technically excluded from the proposed interchange caps, undoubtedly the market will eventually force this fee structure on all community banks despite the fact that we are to be excluded. The market evolves towards pricing earned by the major influencers, who in this case are subjected to caps, and forces this structure on all participants.

I also question the proposed cap on interchange fees of 7 or 12 cents and whether it meets the definition of a "reasonable" fee as required by statute. The Federal Reserve Board should include within the calculation many costs that are inherent to providing debit card services such as network fees, costs of inquiries and disputes, the costs associated with fraud prevention measures, capital investments, and fixed costs to name a few. Ignoring or excluding these fundamental costs of operating this business from the calculation seems



irresponsible, inaccurate, and unfair. My sense is that the haste in which Congress drafted these provisions played a role in proposing these unreasonable figures. The Board's further study of this matter and careful consideration of the true impact in implementing these provisions as proposed would have on American consumers and companies is appropriate and necessary.

I am also deeply concerned that the proposed debit card interchange rules would have significant effects on our organization's ability to provide these important services to the communities we serve and would ultimately have far ranging consequences for our bank and our customers. With a significant reduction in debit interchange income (estimates of up to a 90% reduction), the banking industry as a whole will need to adjust its business model. For Landmark Bank, potential changes would likely include increased fees to customers, significant reductions in services offered, and/or reduction in expenses (possibly including staffing reductions). We are a major employer in the communities we serve and provide economic growth to the local economies by lending to small businesses and consumers. The degree to which we continue in those roles will be negatively affected if the proposed rules are implemented.

In summation, I urge the Board to delay the effective date of this ruling and to give this issue the attention it warrants in consideration of the harsh impact that will result from these changes. We hope the Board will study these proposals carefully and rule in a manner that is beneficial for consumers and community banks such as ours. The regulation as proposed will be an impediment to the economic growth and well-being of the communities we serve.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Gibbens".

Kevin Gibbens
President & CEO
Landmark Bank, N.A.