

From: First State Bank Hallsville , Jon Ruff

Subject: Reg D, Q, & DD

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Comments:

Ladies and Gentlemen:

Our small community bank is opposed to the proposed repeal of Regulation Q. Paying interest on commercial demand deposits, of which we have large balances, will increase the level of expenses and further erode our bank margins and profitability, which is very thin. Interest on checking will add interest rate risk to the balance sheet as more interest sensitive instruments are introduced. We are unalterably opposed to the repeal of Regulation Q. We do not need MORE bank failures.

Sincerely,

Jon Ruff, President  
First State Bank Hallsville