

From: Bank of Marquette, J.D. Ferguson
Subject: Reg I I - Debit card Interchange

Comments:

January 31, 2011

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

Dear Jennifer Johnson:

As President of the Bank of Marquette, a banking institution in Marquette, NE with 29 MM in total assets, I am writing to express my opposition to the proposed rule regarding the Fed's Debit Card fixing of fees. We are a very small bank and have only 6 employees so we are supposedly not effected by the proposed rule. However, I have been in this industry over 45 years and know that I have heard this before and 9 times out of 10 it is unworkable and usually to the advantage of large banks &/or large retail stores. Eventually the large retail merchants will prevail on the system that banks have set up and nurtured. You cannot dictate to economic forces outside of your or our controls (unintended consequences). By having a 2 standard card entity, that insures that we will have to lower our charges. We lose about 450.00 each month in our small bank as it is by offering debit cards. The Chases and Walmarts of the world don't need any more help to drive out small businesses.

If you were running a business and your costs were driven up--where do you recover the loss? We would have to charge more for other services &/or reduce other services.

Personally I think the philosophy of government price controls is unamerican as well as unworkable.

We cater to low income people in our large(280) population center here in the middle of Nebraska and we do not make any money on their accounts and this will lead our directors to wonder why we are going futher in the hole for this type of customer--My thought is that it was the small customer that built this bank as we grew with them.

Alternative B would be very costly and out of reach for the majority of banks under 75MM.

There should not be a capping fee and Alternative A is a reasonable way to approach it cost-wise.

Sincerely,

J. D. Ferguson
President
Bank of Marquette