

From: James R. Hamby
Subject: Reg I I - Debit card Interchange

Comments:

James Hamby

February 2, 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 CEO of Vision Bank, na, a national banking institution in Ada, OK with \$570MM in total assets, I am writing to express my opposition to the proposed rule.

Vision Bank has six branches in five communities in rural Oklahoma. We have been established since 1901 and currently employ 270 people. We pride ourselves on providing cutting edge technology and benefits to our customers. We have always tried to "out little the big banks, and to "out big the little banks" with a great deal of success, but this rule puts all of that into jeopardy.

As CEO, I am very concerned about the negative impact the proposed new rule will have on our our profitability, and the loss of revenue and services our customers will incur if this rule is approved as there is no safe harbor to protect us from market forces (the big guys win again).

Over the last few years we have focused very hard on encouraging the use of our debit cards and electronic banking services by offering a totally free checking account (Viva Free Checking) that pays 3% interest, provides free electronic bill pay services, and refunds five foreign ATM transaction fees per month as long as our customers use their debit cards ten times per month and receive their bank statements electronically. This account is hugely popular with our customers as you can imagine. In addition to providing this account offering great interest rates and benefits, we charged off over \$100,000 in debit card fraud losses last year and expect that number to be higher this year. Somehow these expenses must be recouped. They are presently covered by our interchange income.

We are estimating that our interchange income will be reduced by at least 75% if this rule is approved. If that occurs, there are only a limited number of alternatives for us to employ to replace this income; do away with the high interest being paid our Viva Free Checking Account and change it to a monthly fee account (no more totally free checking accounts), raise overdraft and other fees, or get out of the debit card business. None of these are acceptable options, but tough decisions (all of which will negatively impact our customers) will have to be made.

Please do not approve this rule.

Sincerely,

James R. Hamby
Vision Bank, na