

From: Chris E. Wigger  
Subject: Reg II - Debit card Interchange

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Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing  
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Comments:

On behalf of First State Community Bank, I am writing to voice my concerns with the proposal put forth by the Federal Reserve Bank to cap the interchange fees on debit card transactions. This mandate will not be a realistic benefit to consumers. Our bank is under the \$10 Billion bank exemption, but eventually due to market considerations for lowest cost options our fees will be required to be lowered. This will negatively impact our bank's non-interest income. These revenue reductions will result in fee increases to other consumer related products and services. There is no requirement for merchants to pass along their cost savings to customers. Therefore, this is nothing more than a false sense of accomplishment. New or increased revenue services will need to be initiated, which can have the effect of making it more expensive to our customer base. A very realistic casualty may be our free checking product. This can have the unintended consequence of increasing the number of "unbanked" individuals. I ask the Federal Reserve Bank to reconsider this proposal that contributes to a drastic reduction in the interchange fee rate. Thank you for the opportunity to comment.