

From: First State Community Bank, Linda R. Amelung
Subject: Reg I I - Debit card Interchange

Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing
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As the Compliance Officer for a \$1.2 billion dollar bank holding company, I have grave concerns about the impact of the proposed Interchange Fee rules. The exemption for banks under \$10 billion doallars will not leave us immune to the effects of this proposal. The market will direct debit card activity to the lower cost providers. Merchants would be given the discretion to choose the routing system of least cost to them. While heralded as a consumer protection, I cannot see how the consumer will benefit in any way. Instead, the merchant will reap the reward at the bank's expense! The end result will be less revenue for our bank, reducing opportunities to provide expanded services in the future. The consequence of this regualtion will be to the detriment of the consumer, as banks will have to look to other sources to recoup the income lost from this action. Free checking will likely become a thing of the past. Thanks for taking the time to consider my concerns.