

From: Don Reynolds
Subject: Reg II - Debit card Interchange

Comments:

February 11, 2011

Jennifer J Johnson
Secretary, Board of Governors of the Federal Reserve System
20th St and Constitution Ave, NW
Washington, DC 20551

Dear Jennifer Johnson:

This is to express my opposition to what I understand to be the Federal Reserves proposed implementation of the Durbin provision of the Dodd-Frank Act. My reasons for this opposition include:

1. I am not aware of any case in which governmental price fixing actually worked. 2 The proposed cap of 12 cents per transaction is below cost

I encourage you to delay issuing a final rule until there is time to study the costs and benefits to all participants.. The impact on small banks needs to be considered not just those over \$10 billion in assets.

Our bank is a small community bank serving 4 small towns and the surrounding areas. Our customers use of debit cards is likely less than that in metropolitan areas, but still a very significant part of account activity. Present interchange revenue assists us in avoiding a regular charge for account maintenance. Without this income we would need to pay a lower rate of interest on our account that encourages higher debit card activity.

Thank you for your consideration of my view.

Sincerely,

Don Reynolds