

From: Mike Delvin  
Subject: Reg I I - Debit card Interchange

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Comments:

February 14, 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:

I am writing to you to express our concern with the proposed Debit Interchange Rule. We are a \$2 billion community bank headquartered in Bend, Or.

I am particularly concerned for the impact on institutions like ours, of less than \$10 billion. As written, the proposal will impact all institutions the same. This is contrary to the requirements of the legislation. The impact on our institution is anticipated to be approximately \$1.75 million. At this point in time we are uncertain as to how we will mitigate this loss, but it is clear that we will have no recourse but to identify some other source of consumer fees. It is indeed strange that the outcome of these proposed changes will only serve to hurt the consumer as we all know the retailer will not be adjusting their prices.

While some have stated this is price fixing on the part of the Fed, my concern is with the initial legislation. How could something so beneficial to large retailers be shrouded in consumer protection? Amazing.

Sincerely,

Mike Delvin