

From: Cross Keys Bank, William W. Watson
Subject: Reg I I - Debit card Interchange

Comments:

February 14, 2011

Jennifer J. Johnson
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Jennifer Johnson:

Thank you for the opportunity to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule.

As Chairman of the Board of Cross Keys Bank, St. Joseph, Louisiana, a bank of roughly \$287 million in assets, we commissioned a study to see what the effects of the Durbin Amendment would be.

In 2010 we processed 826,000 debit card transactions which provided a gross income of \$391,043, and surcharge income of \$59,230. After deducting processing fees of \$188,521, local sales tax of \$36,399, fixed fees for lease of 8 ATM machines of \$174,426, and \$19,747 fraud loss, we showed a profit of \$31,172 for the year 2010.

Under Durbin's amendment, our analysis shows with the identical usage, we would have shown a loss of \$260,749.

It would appear that an effect of putting the Durbin Amendment in effect would be the necessity of eliminating the free checking we currently offer our depositors.

Please help our primarily rural bank to continue serving its eight branch communities with our 99 employees without undue regulatory strangleholds on our ability to do so.

Sincerely,

William W. Watson
Chairman
Cross Keys Bank