

From: Ray Parrish  
Subject: Reg I I - Debit card Interchange

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Comments:

February 15, 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 urge the Federal Reserve to delay issuing a final rule until there is an opportunity to study extensively the costs and benefits for all participants - merchants and banks of all sizes as well as consumers and small businesses and payment card networks -- of the federal government regulating interchange fees and transaction routing in the debit card payment system. Although I can understand the principle involved here, reducing costs to both merchants and consumers, I am not certain that the objective will be adequately achieved through this legislation without a more comprehensive review. I would like to underscore the importance of incorporating the small bank perspective into further study since the regulation of debit card interchange fees and routing will affect all banks, not just those banks with assets greater than \$10 billion. I belong to a small community bank located in southern Idaho by the name of D.L. Evans Bank. We have 22 branches throughout southern Idaho and provide lending opportunities for small business and agriculture. In these tough economic times we have tried to assist our customers by having them use a debit card to protect their accounts and to provide them with some additional interest income on their accounts by using them. The restructure that this bill would impose could materially affect this in a very adverse way! In the event the Federal Reserve decides to proceed with the issuance of a final rule, I would urge you to establish the "standards for assessing" that is required by the statute rather than explicit pricing caps. The allowable costs should be broadened to include all costs associated with debit card programs and to permit banks to earn a reasonable profit margin.

Sincerely,

Ray Parrish