From: David Daspit

Subject: Reg I I - Debit card Interchange

Comments:

February 18, 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:

The Durbin Ammendment will cost a community bank such as ours approximately 10% of our annual net income after taxes and this estimate does not include expenses that would be incurred if we are required to switch/add networks.

Community Banks will be forced to pass this loss of income on to our customers through additional fees elsewhere. The carve out will not benefit as market pressure will force us to lower fees in line with competition.

This rule was never intended to benefit customers. It was crafted through pressure from a strong retail lobby and is all about placing more money in hands of retailers.

Instead of punishing the financial institutions who bear all the risk of fraud along with regulatory requirements the restrictions and fraud risk should be shared by all parties involved including merchants, consumers, networks and issuers. Righ now merchants and consumers don't have to worry about fraud since they have no liability for same.

This ammendmet will not lower cost to consumers but will actually increase cost to consumers as retailers are likely not to pass on any savings and banks will have to increase fees to consumers to make up lost revenues.

Please delay inacting this final interchange rule until all implications are thoroughly reviewed and understood.

Sincerely,

David A Daspit