

From: First National Bank, Richard J Carlson  
Subject: Reg I I - Debit card Interchange

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Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing  
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Name: richard j carlson  
Affiliation: first national bank  
Category of Affiliation: Commercial  
Address:  
City:  
State:  
Country: UNITED STATES  
Zip:  
PostalCode:

Comments:

To: Federal Reserve As the president of a \$270 million community bank located in Iowa, I am extremely concerned about the negative effects of the proposed "Debit Card Interchange Fees and Routing" rule. Our bank has worked hard to provide a convenient, safe, and cost effective way for our customers to transact business using their bank debit cards. With little research and no transparent deliberations by federal lawmakers, guidelines will be put in place that control the price we can charge, does not consider the costs of the service including the huge category of fraud, and will reduce our income in this business line by over 70%. Lawmakers supporting this amendment on interchange fees state that financial institutions under \$10 billion in assets will be exempt. In reality, the market will shift to low cost producers and favor the Walmarts of the world. Many bankers say they will have to respond by increasing fees, reducing services, and move away from free checking. We will resist these measures here at First National, but may have no choice. Please take more time to consider the negative effects of the Durbin Amendment. Thank you. Rich Carlson