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Subject: Reg I I - Debit card Interchange

Comments:

Date: Jan 12, 2011

Proposal: Regulation II - Debit Card Interchange Fees and Routing
Document ID: R-1404
Document Version: 1
Release Date: 12/16/2010
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The recent passage of the Durbin Amendment is, for a lack of a better word, an outrage. The overall context of the financial reform is to protect the consumer. While I strongly support businesses of all sizes in America and throughout the world, I do oppose the effects of this amendment. I believe it boils down to saving the "mom and pop" stores a very small amount and having no effect on the larger retailers who already receive premium pricing. On the other hand, the community banks are at an extreme disadvantage. The income received from debit interchange has been said to decrease by a range of 40% to 70%. On a bank our size, that is substantial-not the dollar amount, but the effect to our bottom line. The greater disappointment is that while our income continues to plummet, our liability to the consumer is to remain the same-if not greater! In the past, we have used the income from interchange to offset any losses due to consumer fraud. Will the government step in to help us absorb the losses? NO! They will just continue to assist us in a universal business plan that will be the demise of the community banks that had little cause of the financial crisis, and leave fewer banks. Fewer banks would be leaps away from consumer protection in my opinion. Fewer banks would lead to fewer options. Fewer options would lead to higher costs for the consumer. But wait, isn't the consumer the focal point of the Financial Reform and the "C"FPB? Obviously not, since the Durbin Amendment translates to less income from the merchants, therefore the consumer will eventually absorb that cost. We can adapt to providing more information and more options to our customers. We can also adapt to providing mounds of additional disclosures and taking the time to educate; because after all, the lack of education is the root of the problems over the past several years. But please, do not take a competitive product and start price fixing. Competition is key to our economy, and will ultimately provide the best solutions to the consumer.