



## THE CITIZENS-FARMERS BANK

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*February 9, 2011*

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

**Re: Regulation II; Docket No. R-1404**

Dear Ms. Johnson:

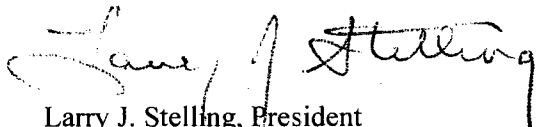
Thank you for the opportunity to respond to the Request for Comment issued by the Federal Reserve Board (FRB) regarding proposed Regulation II and its supplementary information.

As President of The Citizens Farmers Bank of Cole Camp, Missouri, a banking institution in Cole Camp and Stover, Missouri with total assets of \$94,000,000., I am writing to express my opposition to the proposed rule. Our financial institution is located in West Central Missouri with three locations and is locally owned with 28 employees. We have been in business since 1929 and we are the only financial service provider in Cole Camp and one of two in Stover, Missouri. We operate one ATM at each of our bank offices and provide a debit card program through the Shazam network.

Our debit card services were first established about eight years ago, operating at a net loss for the first three years. Recently, income has improved, however fraud loss has been significantly higher. If the proposed interchange revenues are cut by the predicted 75-90 percent our small volume service will operate at a loss. We will not continue a program that can only be profitable with extreme volumes.

Please consider the effects of this proposal on the entire country. The result could be our customers doing business with Bank of America or other non local services.

Respectfully

  
Larry J. Stelling, President  
The Citizens Farmers Bank of Cole Camp