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February 15, 2011

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

RE: Debit Card Fees - Docket No. R-1404 and RIN No. 7100 AD63

Dear Ms. Johnson,

We are a \$400 million bank located in north central Indiana that also has a significant amount of Amish population. We are further identified as being headquartered in Elkhart County, Indiana, the recreational vehicle capital of the world, where President Obama has visited four times during the last three years. Our bank is the last community bank from the original eight that were chartered in the county, all being taken over by larger banks.

The ability to provide low cost customer services, particularly checking accounts, for our customers continues to be more and more difficult. If the Federal Reserve reduces debit card fees to the levels being discussed, it will make it almost impossible to provide debit card service to our customers without a fee.

Our bank has 8,272 debit card holders (joint accounts would have two cards), that generated 1,018,000 total point of sale and ATM transactions last year (a 12% increase from 2009) at a direct cost to the bank of \$192,800. This does not include fraud loss of \$10,200 or the cost of equipment and the people cost to provide the debit card services.

If the fees are reduced below cost, then our bank is left with little choice but to raise fees in other areas to make up the difference.

Our Bank currently has 8,500 checking account customers of which 62% are in the category of having a no service fee relationship.

HOMETOWN VALUES.

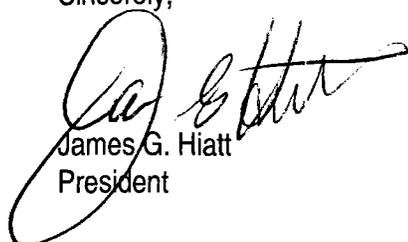
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If the debit card fees are reduced to levels discussed, it will have a direct impact upon our banks profitability to a significant proportion. (Estimated income loss would be \$300,000 or 15% of our bank's net profit for 2010).

Our bank has been a survivor in just celebrating our 100th year since our founding. Help us to continue to survive and be able to continue to provide low cost checking account services to our valuable customers.

Community banks such as ours can only continue to compete with the major money center banks if we are not penalized by this regulatory mandate.

Sincerely,

A handwritten signature in black ink, appearing to read "James G. Hiatt", written over a large, stylized circular flourish.

James G. Hiatt
President

JGH/ah