



www.carsonnationalbank.com

2301 DAHLKE AVE.
P.O. BOX 290
AUBURN, NE 68305-0290

PHONE (402) 274-4333
FAX (402) 274-4319



February 3, 2011

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

Re: Docket No. R-1404 and RIN No. 7100 AD63

Dear Ms. Johnson:

Carson National Bank is a locally-owned community bank with \$61.5 million in assets. We stand alone; we have no branches.

The Durbin Interchange Amendment to the Dodd-Frank Act will cut into our bottom line significantly. We have already been assessed large amounts of money for FDIC Insurance in the last two years. Our options are limited when it comes to non-interest income. The proposed 70%-80% decrease in interchange fees would have a large impact on our income, to the point that we may be forced to increase customer fees. We have long been known as a leader in our area for keeping fees low. Interchange fees are one reason we have been able to not burden our customers with high fees.

The costs associated with producing debit cards and dealing with debit card fraud are increasing each year. Instances of fraud have hit small banks hard, and there is no good way to diminish it at this time. The reduction in interchange fees proposed by the Durbin Interchange Amendment to the Dodd-Frank Act would mean increased costs for our debit card users. The convenience of having a debit card could soon be outweighed by the associated costs.

We urge your committee to rethink this proposal and support the efforts of banks to retain low costs for the consumers and small businesses we service. Please find a way to help the heart of the economic system in the Midwest – the hometown community bank.

Sincerely,

Darrell Kruse, CEO