

March 8, 2024

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Ms. Misback:

For over 31 years, including the last five years as President & CEO at Croghan Colonial Bank, I have served thousands of consumers and small businesses we proudly call customers. As members of the community, we are uniquely positioned to support its growth and prosperity as a local bank. Our business success hinges on monitoring policies that could impact us. Unfortunately, the proposed cap on debit card interchange fees by the Federal Reserve would harm our business.

In 2011, the Federal Reserve established a cap on interchange fees for debit cards, but banks with assets under \$10 billion were exempted to protect smaller financial institutions. However, small and community banks have actually been affected indirectly. According to the Federal Reserve's [2019 data](#), small community banks experienced a drop of over 20% in interchange fees between 2011 and 2019. This led many banks to cut costs, resulting in reduced free checking accounts, the end of popular debit card rewards, and reduced lending.

Capping the debit card interchange fee in 2011 had detrimental impacts for consumers, small businesses, and community banks. A further reduction would have even larger ramifications. I strongly oppose this measure and urge the Fed to reconsider it.

Sincerely,



Kendall Rieman
President/Chief Executive Officer
Croghan Colonial Bank

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