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January 3, 2024

To Whom It May Concern,

In regards to the Federal Reserve proposal to cut debit card interchange rates, an amendment to the interchange rates to reduce fees earned by financial institutions with more than \$10 billion in assets causes concern that this will eventually trickle down to small financial institutions such as our own. Small banks offer notable support to our communities. Reducing interchange rates will most certainly carry down to small banks thus increasing expenses which will make it more difficult to continue offering low to no fee products and services to consumers.

Additionally, it is imperative that small banks don't see a reduction in interchange income as it helps offset the cost of fraud related products offered to cardholders. Fraud is continuously on the rise and the measures put in place to help mitigate fraud do not come free. If small banks are forced to cut expenses due to reduced interchange income, I fear that fraud detection services may take a hit which would most certainly cause harm to our customers and the bank.

Small community banks play a large role in serving local consumers, municipalities, small businesses and farmers. Please reconsider this rule so that small banks such as ours don't crumble under those that are "too big to fail".

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott A. Freiburger', is written over a light blue horizontal line.

Scott A Freiburger
President & CEO
Benton State Bank

SAF/nlh

Scott A. Freiburger
President & CEO

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