

From: Gary Pouch
Subject: Reg I I - Debit card Interchange

Comments:

February 10, 2011

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

Dear Jennifer Johnson:

Dear Ms. Johnson,

As the Investment Representative for Raymond James Financial Services located at Bank of Travelers Rest in Travelers Rest, South Carolina I'd like to offer my thoughts on the proposed Debit Interchange Rules. Our small institution has managed to earn a profit (although not a large profit) despite the turmoil of the past few years and is justifiably proud of not having to go "hat in hand" for TARP funding. This small institution now has at least four additional employees to handle new regulatory requirements over this same period. Our's is essentially a blue collar client base with smaller average account size. The loss of debit interchange revenue along with the added salaries of compliance personnel is going to make the availability of Free Checking for good hard working salt-of-the-earth citizens go the way of the DoDo Bird and for what purpose? As an investment advisor I closely follow corporations' quarterly earnings announcements. The so called "consumer savings" of lower interchange fees will only be going to the bottom line of the WalMart and Targets of the world helping to put their executives' stock option grants in the money. I would like to be able to say this is simply an unintended consequence of well intended legislation. Unfortunately I've been around long enough to suspect this is exactly the outcome expected by Big-Box retailers and large financial institutions aiming to reduce competition. I believe any "popping" sounds you'll hear in DC are Champaign bottles being opened by these corporations' friends on K Street if these caps are put into effect.

Sincerely,

Gary Pouch