

From: Morton Community Bank, Benjamin Craig
Subject: Reg I I - Debit card Interchange

Comments:

February 11, 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 Jennifer,

Thank you for the opportunity to provide feedback in relation to the FRB's proposed implementation of the Durbin Amendment. Morton Community Bank, based, serves 24 communities in central Illinois and is the largest private bank downstate.

One year after finally introducing a personal Free Checking product, Morton Community Bank is looking back at our early 2010 decision and wondering what to do now. The sources of income we were counting on to support a fee-free product are now being minimized if not essentially eliminated altogether. We could add a monthly fee to our "Formerly Free" checking accounts. Or we could make up the difference in higher commercial loan rates and lower deposit rates. Be assured that the solution for us will not be to ask our shareholders to accept reduced return on their investment. In my mind I cannot see how requiring business owners to pay more interest on their commercial loan is any more equitable than asking the general public to pay slightly higher prices for goods so merchants can cover their interchange fees. If the federal government would dictate that restaurants can only charge \$0.25 for soda (based on their actual cost) doesn't it seem reasonable for McDonalds to raise rates on hamburgers so they can still make a little profit? And doesn't it seem a little over-reaching for the government to determine how much McDonalds should charge for soda? With all due respect, Mr. Durbin is our own Senator. But this amendment and proposed implementation seems to cross a line that our county's Constitution and history does not support.

Best regards,

Ben