



March 1, 2011

Hon. Ben Bernanke
Chairman, Federal Reserve Bank
20th Street and Constitution Ave NW
Washington, DC 20551

RE: Section 1075 of Dodd-Frank Act

Dear Chairman Bernanke:

As the CFO of a very healthy community bank in upstate New York, Tioga State Bank, I encourage you to re-consider the implementation of section 1075 of the Dodd-Frank Act, which would impose price ceilings on the Interchange income debit card issuers may charge. Although our institution is well below \$10billion, we are not naive about the real-life impact this will have on our bank. Because of that, I would like to join those encouraging you to postpone the enactment of this law.

I monitor every week the debit card fraud that occurs for which banks are taking higher and higher hits. This very real cost has not been taken into account in this new law. That alone should be a serious enough flaw to compel you to wait.

The most compelling reason to revisit this law, in my opinion, is the impact on consumers. Most of us are experienced enough to know that retailers will NOT pass any savings they receive as a result of this law to their customers. I feel this is especially true of the big, box stores. On the other hand, banks will be forced to cover their expenses by increasing fees in other areas. At Tioga State Bank, we are currently reviewing areas where, in the past, we have been able to provide products and services free (or well below our costs) to our customers.

It seems very clear to me that the winners in this game will be the big box stores and the losers will be the banks (particularly community banks) and consumers. If bank losses do not compel you to stop this law; consumer losses should. As a bank employee and a consumer, I stand to lose on both sides of this regulation.

Thank you for your time and attention.
Respectfully,

A handwritten signature in cursive script, appearing to read 'Anne E. McKenna'.

Anne E. McKenna, CPA
SVP, Finance & Control
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