



April 30, 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:

As the CEO and President of a community bank, I have personally seen the significance of our services for consumers and small businesses across Ohio and Indiana. This is why I am deeply concerned about the recent proposal from the Federal Reserve to further decrease the cap on debit card interchange fees.

Federal Reserve Board Governor Michelle Bowman recently delivered a [speech](#) at the New York Bankers Association's Financial Services Forum, which summarized many of my concerns regarding the Fed's proposal.

While Bowman acknowledged that the Fed's proposal to lower the debit card interchange cap may be beneficial for consumers, she said those benefits may not be realized because "the costs of this fee cap revision for consumers—through the form of increased costs for banking products and services—will be real." If the Fed ignores this potential result and plows ahead with lowering the cap on debit card interchange fees, community banks like mine will suffer, and we will have to recover those losses by increasing borrowing costs or fees, which will directly hurt our customers.

Local community banks want to provide the best services to our customers and strengthen our communities. This Fed proposal will increase costs for our customers and diminish the trust we have built over time with them.

Sincerely,

A handwritten signature in blue ink that reads "Dennis G. Shaffer".

Dennis G. Shaffer  
Chief Executive Officer and President  
CIVISTA BANK