

From: First State Bank of Murdock, Paula Caldwell  
Subject: Revision to Escrow Account

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Comments:

To Whom It May Concern:

Please accept my comment in regards to the above docket for changes to Escrow Requirements.

As a community bank in a rural area (city population 371) the new escrow requirements for HPML have only made it more difficult for us to compete with other banks much less the secondary mortgage market. Suddenly loans that hadn't required an escrow in the past require one upon a refinance of the loan. Our customers really had a hard time understanding that. They had responsibly paid their taxes and insurance in the past and now suddenly we didn't "trust" them to take care of these items on their own. Why should the interest rate be the controller of an escrow requirement?

Please revise this requirement and in the revision let us know what we need to do with those established accounts that now "require" an escrow account.

Sincerely,

Paula J. Caldwell  
First State Bank of Murdock