

From: The Monitor Bank, Doug Akins  
Subject: Revision to Escrow Account

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Comments:

Dear Federal Reserve Board,

Thank you for allowing us to comment on the proposed amendment to Regulation Z's escrow requirement. I work for a community bank in a rural community that originates less than 100 mortgage loans a year. As you know small community banks like Monitor Bank (\$36 million) did not contribute to the sub-prime mortgage crisis. We maintained a 20% downpayment and verified income before mortgage loans were approved. I find it very positive that an amendment to exclude banks like us, who keep their loans on their books, is being considered. I would encourage the Board to continue to find ways to permit small community banks the ability to conduct business with the least cost possible. It is very difficult to operate when you saddle all banks with onerous regulations, especially on banks that did NOT cause the problem. Many of our customers at Monitor Bank open a savings account and deposit their monthly tax and insurance payments into that account when they make their monthly mortgage payment. Of course this makes sense as these customers handle their finances appropriately as they have put down 20%, have discussed with us how much they can afford, and have had their income verified BEFORE the loan is approved. Thus, forced escrow and more disclosure is not necessary and an additional expense to Monitor Bank.

As stated, it is a positive sign that small community banks in rural areas will be exempt for escrowing and I trust you will be consistent and drop the extra escrow disclosure.

Thank you.

Sincerely  
Doug Akins  
The Monitor Bank