

From: Michael W Robinson
Subject: Revision to Escrow Account

Comments:

Date: Mar 07, 2011

Proposal: Regulation Z - Truth in Lending Act - Revision to Escrow Account
Requirements for Certain Home Mortgage Loans
Document ID: R-1406
Document Version: 1
Release Date: 02/23/2011
Name: Michael W Robinson
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

We are a small community bank that has no experience in escrows. We don't do a significant amount of mortgage loans, but the regulation is making it difficult to continue to service certain customers. Smaller home improvement loans, smaller mortgage loans that require a higher rate, etc. will be difficult to continue to be made. Either we have to lower the rate and possibly make it unprofitable or we have to add significant expense to add an escrow department. Either case may be unacceptable, and it may make more sense to not offer these customers loans. Some of these customers already have their checking accounts drafted for insurance and receive a discount. Requiring escrows costs the customer a premium and gives no benefit to the customer.