

July 7, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Way, NW
Washington DC, 20551
RE: Docket No. R-1357

As the Compliance Officer of First Security Bank of Missoula and as a concerned citizen, I am writing to comment on the Secure and Fair Enforcement for Mortgage Licensing Act, (SAFE Act), a portion of the Housing and Economic Recovery Act (HERA).

First Security Bank is a community banking institution that is examined by the Federal Reserve Board and the State of Montana. We provide to our customers in three Western Montana Counties a full array of loan products including residential real estate mortgages.

First Security Banks Mortgage Loan Originators receive training on a regular basis and are subject to compliance review, internal audit and examinations by the FRB and the State of Montana. Training is an ongoing process for our entire mortgage lending department. This is a highly regulated area that is constantly changing and requires knowing the changes to Reg. Z and RESPA on an ongoing basis. As this is a highly regulated area it is imperative that we hire, train, and monitor the various mortgage products and the market we serve. With this in mind; what will the expectations be of other types of mortgage lenders and how will they be examined under Reg. Z and RESPA and by whom?

It has been noted that the mortgage loan originators of financial institutions would not be required to go through the licensing process but will need to register. It appears that there may be requirements for each mortgage loan originator to provide a substantial amount of confidential and personal information. Some of this appears to be extreme. Requesting this personal financial information appears to be reaching into the areas of Privacy and the RFPA.

An area of concern is the need for Digital (or paper) fingerprints “for submission to the FBI and *any other Federal or State governmental agency or entity authorized to do a criminal history background check.*” Who are the other authorized entities that may be contracted to participate in background checks and what additional information is going to be obtained? As a financial institution, background checks are done on each of our applicants prior to offering them employment. Whether a mortgage loan originator has been involved in any legal action may have no bearing on their position with the bank and their ability to satisfactorily perform the duties and responsibilities of the position.

The policies and procedures, using the eight provisions listed, will create another tracking system altogether. With the amount and sensitive nature of the information to be requested will create additional tracking for our human resource department. This information would need to be held in the strictest confidence as it is employment related. Are there or will there be guidelines on what qualifications an acceptable mortgage loan originator must have? Are these guidelines or could they create the perception of discrimination?

Requiring training, licensing and registration for the previously unmonitored mortgage originators is long overdue. This will require much needed training for those wanting to stay in the industry. Consumers may then have access to information that will assist them in making informed decisions. However, the proposed Act does increase the regulatory burden and raise concerns for the true community banks that have done an outstanding job in providing products and services while being in full compliance with the existing regulations.

Thank you for the opportunity to comment.

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First Security Bank of Missoula