

April 8, 2008

Jennifer Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue
Washington, CD 20551

RE: Docket No. R-1305, Proposed Rule Changes to Regulation Z

I appreciate this opportunity to comment on the proposed amendments to Regulation Z meant to better protect consumers in the mortgage market. Although I agree rules and standards need to be in place to keep deceptive lending practices at a minimum, I am uncertain that some of these proposed changes that will increase the burden on the small or intermediate bank will actually produce the results we all want.

Of particular concern are the following proposed revisions:

§226.35(a) - Definition of "Higher-Priced Mortgage Loan"

- The three and five percent thresholds are too restrictive.
- The rules for selection of Comparable Treasury Securities are too complicated.
- We retain a fair share of our mortgage loans and typically use internal indexes or Prime.

§226.35(b) Rules for Higher Priced Loan

- Specifications on how to verify income are too restrictive especially for our existing customer base and will be difficult to utilize for self-employed borrowers.
- We do not currently offer escrow account services and may have to consider not offering these loans to our existing client base due to the burden it would cause us.

I appreciate your consideration of my comments.

Sincerely,



Heidi Shumaker
Compliance Officer

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