From: "Newell, Chris" <Chris.Newell@ANB.COM> on 08/29/2008 12:30:06 PM

Subject: Reg. C

Please accept these comments with respect to the proposed Home Mortgage Disclosure, Regulation C to revise the rules for reporting price information on higher-priced loans. Amarillo National Bank, a $2.6 billion asset community bank located in the Texas Panhandle, thanks the agencies for the opportunity to comment. We are an aggressive consumer lender, currently the number 1 mortgage lender in our MSA averaging about 4,000 HMDA reportable loan applications annually. A vast majority of these loans are sold on the secondary market. We do not have a sub prime mortgage product but do consider Alt A borrowers.

We are also an aggressive lender with Home Equity and home improvement loans. These two products are not sold on the secondary market and are priced on an internal pricing grid based on credit scores, term and loan to value. This pricing grid does not change weekly, but varies by internal criteria. It is also based on local market competition and not nation-wide mortgage rates.

Comments are requested for:

1. Change the reporting benchmark from Treasury yields to average prime offer rates
   We commend the agencies for attempting to look for a more appropriate benchmark consistent with mortgage loan pricing to report rate spreads.

2. Use the Freddie Mac PMMS to estimate average prime offer rates, including whether there are more appropriate sources of data.
   We have some concern over the use of Freddie Mac PMMS and what the impact to our location for pricing on the secondary market as well as our internal pricing grid might be. Most of our refinance and purchase mortgage products sold on the secondary market are not priced off of prime. We have been told that our pass through rate (net yield to Freddie Mac) will be adjusted by ½% point for “Adverse Market Fee”. We are not clear if this fee will be considered in the PMMS survey figures or if this fee will be charged to all lenders not just in certain locals. We ask that the agencies consider this fee in their calculations. We are also concerned about our Home Equity and home improvement loan pricing being compared to a national pricing survey, but have no suggestions as to a more appropriate source of data other than to reconsider the 1/5 and 3/5% rate spreads.

3. Method proposed to derive average prime offer rates from the PMMS data
   Please consider the concerns stated in #2 above.

4. Proposed 1.5 and 3.5 percentage point thresholds
   Please consider our comments regarding “Adverse Market Fees” and internal Home Equity and home improvement pricing grids in comment #2 above. We also feel that these thresholds will capture a significant number of Alt A loans which we understand is not the intent. We were under the understanding that the rate spread of 3 and 5% currently reported would capture sub prime loans.

5. Proposed timing for rate spread determination
   We suggest that the timing of the rate spread change weekly beginning on a Monday. This will be easier to apply than a change beginning on a Friday.

6. Proposed effective date of these amendments
   We suggest that the effective date of these amendments be postponed. Once the rules are finalized, it will take time for software to be updated to accommodate the necessary reporting and

more time in training and development of internal controls to gather the data required to be reported. If rules are finalized during the 4th quarter of 2008, an effective date of January 1, 2009 will not afford us ample time to comply. Please consider co-coordinating this with the Regulation Z effective date and postponing reporting until 2010.

7. Costs and benefits of the proposal generally
   We estimate that the proposed reporting of 1.5 and 3.0 points above a prime rate average survey will require us to report at least 10% more loans than previously reported under rate spread requirements. We will add at least 60 minutes to the processing, data collection, monitoring and reporting of each of these loans at an average cost of $20 per hour. We are unclear as to what benefit this information will be since the 3 and 5% rate spread reporting was supposed to capture sub prime lending.

Thank you for this opportunity to comment.

Sincerely,

Chris Newell
AVP and Compliance Officer
Amarillo National Bank