

April 22, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. R-1353

Dear Ms. Johnson:

On behalf of The Conway National Bank, a community bank serving the credit needs of its community for over a century (since 1903), we would respectfully request a thorough re-visitation to this proposal regarding private educational loans. As proposed, we feel that unintended consequences would result in community banks not being able to adequately serve the personal needs of consumer customers regarding education related needs or desires due to the cumbersome disclosure requirements.

Our understanding (after discussions with Federal Reserve Reg. Z experts) is that numerous basic, simple, closed-end, personal loans that are routinely and quickly made would fall into the proposed requirements. Here are just a few of many examples:

- A student working his/her way through a local college may need small educational loans for books, tuition increases, and the like from time to time – personal loans that may range from \$500 to \$1000.
- A working mother may borrow \$1,200 to take a course offered at a local technical college to better her position in the workplace.
- A typical, normal bank customer in good standing may want to borrow \$3000-\$5000 short-term for post- educational needs for a child.

All of the examples would be character loans which may be unsecured, or secured by various types of non-real estate collateral.

In today's environment, we realize that problems may exist regarding long-term educational loans with non-regulated lenders, as has happened in the sub-prime lending arena. Just as community banks are well-regulated, and not part of the sub-prime problem, we feel that consumer customers of community banks such as ours are adequately protected by Regulation Z without the additions of sections 37 – 39.

However, realizing that The Federal Reserve Board is under the mandate of the Higher Education Opportunity Act of 2008, there could be one simple solution:

All closed-end (non-balloon) private education loans with loan terms less than 61 months would also be exempt.

Thank you for the timely opportunity to comment.

Respectfully,

A. Mitchell Godwin, VP, Compliance

