

American Homeowners Mortgage Corporation

400 Allegheny Avenue

Towson, Md 21204

I opened American Homeowners Mortgage Corporation in 1992. In my many years in business brokering mortgages I can attest with certainty that American consumers shopping for a mortgage want choices. And one of their favorite choices is a low cost or a no cost mortgage. The Yield Spread Premium (YSP) enables us to offer mortgages wherein we use a portion of the YSP to pay some or all of the closing costs. We give the customers the option to choose between the lowest rates with points or slightly higher rates with no points and no, or low, costs. Time and again the customer will opt for lower costs at a slightly higher rate.

Here are some good examples of American consumers choosing mortgage loans at rates where we were able to offer them a credit from the YSP. These are loans that we closed in the last two months of 2009:

- A) A \$417000 15 year fixed rate at 4.25% with a YSP credit of \$3296 on a Howard County, Md. family residence. The costs before our credit and excluding escrows and interest were \$2161 so our credit paid the costs plus paid \$1135 toward escrows and interest.
- B) A \$342000 10 year fixed rate at 4.25% with a YSP credit of \$2040 on another Howard County, Md. family's residence. The closing costs before our credit were \$2322, excluding escrows and interest, so their costs were reduced to \$282.
- C) A \$215000 15 year fixed rate at 4.25% with a YSP credit of \$891 on a Carroll County, Md. family's residence. The costs before the credit were \$2884 and \$1993 after , excluding escrows and interest, for this family who took \$30000 cash out to do home improvements.
- D) A \$394000 15 year fixed rate at 4.25% with a YSP credit of \$2796 on this family's Baltimore County, Md. residence. The closing costs before the credit were \$2295 so again here is an example of our credit paying all the costs with an additional \$501 going towards the escrows and interest.

Another benefit of the Yield Spread Premium is that it enables us to help customers who are short of funds. This includes first time home buyers who often need additional funds and our YSP contributions can make the difference between buying or not buying that new home.

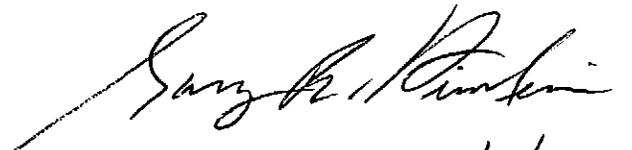
Over the years the vast majority of loans we've brokered have been with borrowers paying no fees directly to us as our earnings have come from the YSP paid by the lender. Not having to pay points is the choice of most consumers.

If the Yield Spread Premium is eliminated, our business will be destroyed, and American consumers will have an extremely beneficial service taken from them.

American Homeowners Mortgage Corp. is a mortgage brokerage that has been well serving the home mortgage financing needs of Americans since 1992. The Yield Spread Premium offers an effective and viable way of better serving those consumers. Eliminating the YSP helps no one, solves no problems, and severely cripples reputable consumer oriented businesses like mine. Mortgage brokers bring value to the mortgage marketplace which is why so many consumers choose us to assist them when they shop for a new home or refinance their existing homes .

Please don't eliminate the Yield Spread Premium from the mortgage industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary E. Heinlein". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Gary E. Heinlein, Pres.

1/14/2010