

From: Michael Spiker
Subject: Revision to Escrow Account

Comments:

Sirs:

I am writing in regard to the proposed legislation to exempt small banks from escrowing requirements on mortgage loans. As an employee of a small community bank. I feel that this requirement puts an undue amount of time and expense on a small bank - such as ours - that does well under 100 1st mortgage residential loans per year. The escrow requirement for mortgage customers should be applied at the discretion of the customer - who can decide whether or not they want to escrow for their loans through a disclosure from the bank stating that they can in fact escrow for their loan if they so choose.

Requiring banks, in general, to escrow for taxes and insurance is not the solution to the mortgage crisis in this country. In fact it may result in more problems - as the larger banks will undoubtedly sell the servicing on these "escrow mandatory" loans to third party servicing companies who - through their negligence and oversight of underwriting requirements - contributed greatly to a great number of mortgage loans not being properly endorsed and underwritten.

Please don't add any more burden and expense on small community banks by requiring us to escrow for these mortgage loans. Small banks have served the banking needs of a large portion of this country for many years. Let us continue to contribute to the well being of our credit customers by exempting small community banks from the mandatory escrow requirements on mortgage loans.

Thank you.

Michael Spiker