



CitizensBANK

Slaton Post Shamrock Lubbock

JOHN R. ROBINSON

EXECUTIVE VICE PRESIDENT

February 28, 2011

Re: Docket No. R-1406

Comments regarding Regulation Z/Mortgage Escrow

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve
20th St and Constitutional Ave, NW
Washington, DC 20551

To Whom it May Concern:

We are a relatively small community bank with branches in three small rural communities. In the past, we originated and serviced a significant number of smaller, owner-occupied residential mortgages in these communities. Many of these mortgages would not qualify for secondary market financing for various reasons (small size of mortgage, credit history of the borrower, etc.); however, we experienced good performance (low past due rate and minimal charge-offs) with this portfolio.

We are not staffed adequately to monitor/service escrowing for mortgage loans. We also feel that we do not have the volume of mortgage loans to justify adding the personnel necessary to escrow for mortgage loans and we are unwilling to expose ourselves to the added regulatory scrutiny that comes along with escrowing for home mortgages. So, our management/Board made the decision to stop offering home mortgage products when the new Regulation Z Mortgage Escrow regulations went into effect.

This decision has negatively impacted the bank's loan volume and in our opinion has had a negative impact on our local communities. Our bank was the primary source of financing for the small dollar amount mortgage in these communities and now these individuals have no apparent source of financing. This lack of financing appears to have had a domino effect, driving prices of our local homes downward and increasing the marketing time for homes on the market.

Sincerely,

John R. Robinson