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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
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Washington, DC 20552

Comments on Transmittal TR-248, Federal Register, Vol. 66, No. 51, pp. 15049-15055 on revisions to the definition of a qualifying mortgage loan.

I strongly believe the revised LTV standard is appropriate. A 90% LTV is a much more realistic LTV than 80% to classify loans in the 100% risk-weight category. The risk of default for loans with LTVs of between 80% and 90% is minimal compared to loans of 90% or greater LTV.

The explicit LTV standard provides a clear and non-judgmental understanding of what constitutes a qualifying mortgage loan.

I favor keeping the requirements of prudent underwriting and not more than 90 days past due. Additional qualitative standards are unnecessary.

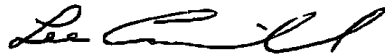
I don't have an opinion on credit enhancements and the LTV classification.

I am opposed to OTS requiring us to monitor residential real estate for declining property values. If we doubt that the future value of the property will adequately secure the loan, why would we ever originate the loan? I see no benefit to the appreciating property provision.

I agree with OTS' interpretation on negative amortization loans. All loans that negatively amortize to 90% or greater LTV should require classification in 100% risk-weighted assets.

I support the elimination of the over 80% LTV exclusion for land loans and nonresidential construction loans.

Sincerely,



Lee Carmichael
Compliance Officer