**From:** Ann Riley [mailto:ariley@gilpin.com]   
**Sent:** Wednesday, December 14, 2011 1:44 PM  
**To:** #Servicing Compensation  
**Subject:** mortgage servicing fees

I write to share with you my concern regarding the alternative servicing fees that are currently being discussed. As a tiny originator and servicer since 1941, a reduction in servicing fees would perhaps be the final blow and cause us to throw in the towel. The only way lowered fees on performing loans works is with economies of scale and those economies are not available to small servicers.

The regulatory environment and the higher costs of compliance, audits, licensing, etc., for us (and all mortgage bankers) have just gone up and up and up. To lower fees on performing loans would simply put good local servicers like us out of business and we can leave the entire mortgage finance industry to the 800 pound gorillas.

Secondary to the decline in fees itself is the sheer volume of change. The Federal and State governments have got to stop making changes to our industry or hands-on, local, caring, decent, honest lenders like us who employee local people will be no more. Our company and I’m sure many like it, did not cause the problem, yet we pay for the sins of others every single day. It’s exhausting and expensive. We need to catch our breath. We need to be modestly profitable.

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