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July 19, 2000

Manager
Dissemination Branch
Information Management and Services Division
Office of Thrift Supervision
1700 G Street Northwest
Washington, D.C. 20552

Re: Docket No. 2000-56

Ladies and Gentlemen:

I applaud the Office of Thrift Supervision's decision to modify its regulations regarding stock repurchases and dividend waivers for mutual holding companies. The changes foster competitive charter equality, improve efficiency, and puts financial institutions on a par with other public companies. However, to avoid any misunderstandings, I suggest that consideration be given to a slight modification of the revised language in paragraph 563b.3(g)(3).

As you are aware, most converted or reorganized thrift institutions seek approval from stockholders for a restricted stock plan soon after the six month anniversary of the conversion or mutual holding company reorganization. These plans are generally approved by stockholders, after which the institution repurchases, either directly or through a trust, 4% of its issued and outstanding common stock in order to fund awards under the plan. The OTS has routinely taken the position that such repurchases are not subject to, and determined independently of, the repurchase restrictions of former paragraph 563b.3(g)(3). However, with the change in language, the words "extraordinary" and "compelling" could be interpreting as imposing an undo hurdle before an institution is allowed to repurchase its own stock for the purpose of funding a restricted stock plan. Therefore, I suggest that, in order to avoid this problem, the language of interim rule 563b.3(g)(3)(iii) be modified so that after the words "repurchase program," the following words are inserted "or the repurchase program is to fund potential awards under a restricted stock plan approved by stockholders in accordance with paragraph 563b.3(g)(4), in either case" and then continue with the language of the interim regulations.

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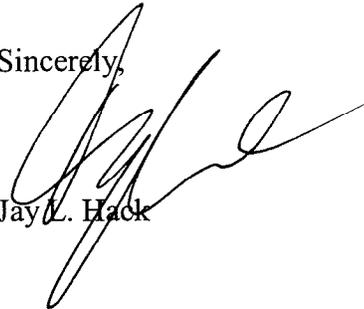
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I also note that, in the Federal Register publication of July 12, 2000, after new Section 563b.3(g)(3)(iii), the conjunction used is "or." Based upon the supplementary information included with the interim rule, and my dealings with prior repurchase applications, I suspect that the intention was to use the conjunction "and" instead.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay L. Hack", written over the typed name.

Jay L. Hack

JLH:rm