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October 5, 2000

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

Attention Docket No. 2000-57

To Whom It May Concern:

This represents the comments of Hancock County Savings Bank, F.S.B. to the Office of Thrift Supervision's Notice of Proposed Rulemaking relating to proposed changes to 12 C.F.R. Parts 563b and 575. For your information, Hancock County Savings Bank is a 101-year-old mutual institution, serving a small county in the Northern Panhandle of West Virginia. We have three office locations and one stand alone drive through location in Hancock County, West Virginia. Our main office is in Chester, West Virginia, and we serve Hancock and Brooke Counties in West Virginia; Columbiana and Jefferson Counties in Ohio; and portions of Beaver, Allegheny, and Washington Counties in Pennsylvania:

It is the desire of the current Board of Directors to maintain a Mutual Savings Bank Charter. It is the Board's feeling that the Bank can best meet the needs of the communities it serves through this type of business entity. The Bank has maintained a small, steady growth throughout its history. The Capital of the Bank is strong, and the Bank has been able to remain profitable.

The Board feels the Mutual Charter form allows the Bank to both show a profit and a return to its communities. In 1999, the Board created a Charitable Foundation. In the spring of 2000, the Foundation was able to provide some monies for the three libraries in Hancock County. This fall, several more worthwhile charities will receive some funding for their projects. In addition, each year the Bank provides 18 students with \$1,000.00 each in scholarship money. This \$18,000.00 is distributed among the three high schools in Hancock County. The Bank supports many other community services and projects. Since the Bank does not have to focus on returning equity to shareholders, the emphasis can be on community involvement and improvement.

It is for the above reasons and many others the Bank is able to support the OTS's effort toward improving the attractiveness of the alternatives available to mutual thrift institutions. We believe that each Bank should be able to be organized in a form consistent with its business plan. Should the need to change arise, the Bank should have available the flexibility to change to meet the needs of the period in which it finds itself. We feel that, over-all, the proposed changes can accomplish this end. The Bank wants to stress that it does not feel the MHC form should be given any more priority than other forms of organization.

There may come a time when Hancock County Savings Bank will need to make a change in its structure, and we will appreciate having the flexibility to do so. With this in mind, we have a few comments about some sections of the proposed rule.

Pre-Filing Meeting with OTS on the Business Plan-While we would seek counsel from the OTS prior to and during any conversion process, we feel the time specified in the proposal could cause unnecessary delay in completing the process in a timely manner. We would prefer to make this a part of the on-going process.

Feasibility of Growth Requirement-We are located in a small market area with little to no growth. Our main employer, Weirton Steel Company, has reduced its workforce from 11,000 to 3,000 in a matter of the last 10 to 15 years. If our Board would feel it is in the best interest of the Bank and the community to convert our charter in some manner, demonstrating experience in growth would be difficult if not impossible. However, we feel the Bank has a value that is perceived as very positive, and the potential for raising capital does exist. We believe we should not be penalized in this area if the Board of Directors would decide to take this step. The potential for us to acquire other institutions and grow would only increase for us after we would convert to stock, since we would have to become a stock company to do any acquisitions.

Minimum Return on Equity Requirement-The Notice of Proposed Rulemaking states that a converting institution's plan should, at a minimum, show a projected return on equity exceeding the Bank's rates on long term CD's. The margin, however, is not specified. This should be quantified. We are very much aware that many of the institutions that have already converted have raised more capital than they needed, and this has impacted the return on equity in a negative manner. We subscribe to the thought that focusing on total return on investment would be a better method to measure the potential success of a conversion. The converting association should also be able to use share buybacks and return of capital in the business plan if an acquisition is not available to help leverage its capital.

Enforcement of Three-Year Prohibition on Acquisitions-Our Board feels this should be handled more on a case by case basis. We feel the Board is qualified to manage the company and make the decisions to acquire or be acquired. OTS should limit its prohibition to institutions that have been targets of activists looking for a quick return on investment.

Shareholder Vote on Stock Benefit Plans-The Notice of Proposed Rulemaking indicates the current requirement that any stock benefit plans must be approved by the majority of the outstanding shares at a duly called meeting of shareholders. We feel that a majority of the shares voting at a duly called meeting of shareholders would be adequate for this to be approved. This would then not create a different standard for thrifts as compared to non-OTS regulated companies.

Thank you for the opportunity to comment on the OTS Notice of Proposed Rulemaking.

Sincerely,



Harry A. Comm, President & CEO