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From: Frank Wooley [FrankW@oswegobank.com]
Sent: Monday, September 15, 2003 11:33 AM
To: comments@fdic.gov; regs.comments@federalreserve.gov; regs.comments@occ.treas.gov;
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Subject: EGRPRA



Regulatory Burden Reduction

Board Regulation 12 CFR Part 225, Subpart B

This regulation Subpart requires all entities to file an application and obtain Board approval for formation of a holding company. This takes place whenever an entity has power to vote 25 per cent or more of the bank or company.

Our bank established an Employee Stock Ownership Plan (ESOP) for the purpose of providing a positive employee benefit and creating marketability opportunities for the aging shareholder base of our holding company. The ESOP has exceeded the 25% and properly applied for and received approval to become a bank holding company.

The burden now becomes that with each and every single share acquired we must file an additional holding company application, publish notice, and obtain prior approval, which is valid for only three months, unless extended. Such application is lengthy and requires considerable financial and supporting data.

As mentioned, our shareholder base consists of aging individuals, with small shareholder interests. Their needs for cash are often unexpected and immediate; for medical care, nursing home expense, and the like. In addition, many shares pass on to heirs, who wish to liquidate. Being a non-public entity, it is only fitting that we try to accommodate these individuals who have been our loyal shareholders for years by providing a ready and fair market at an independently determined value.

It is impossible to anticipate the magnitude of these redemption requests. Requiring an application and pre-approval for every solitary share is an undue burden. Even if we attempt to anticipate the number of shares that may be purchased, the repeated application process is a waste of resources for Board personnel, as well as our own.

The applicant holding company here is an employee owned trust that provides a very positive benefit for employees and serves as source of strength for the underlying holding company by preserving capital in an efficient manner and insuring orderly control. Given both the purpose and the risk, the burden is inordinate.

Thank you for the opportunity to comment.

Frank J. Wooley
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