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3



May 14, 2001

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

Re: Liquidity
66 FR 70526 (November 24, 2000)

Dear Sir or Madam:

America's Community Bankers (ACB)¹ welcomes the opportunity to comment on the interim rule with request for comment² issued by the Office of Thrift Supervision (OTS) to implement the repeal of the statutory liquidity requirement for savings associations.

ACB strongly supports the interim rule. For a number of years, we supported legislative vehicles that would have eliminated the statutory liquidity requirement because we believe that it was outdated and created a competitive disadvantage for savings associations. Banks regulated by the federal banking agencies do not have a similar specific requirement.

ACB believes the repeal of the regulation and the conforming changes to supervisory guidance will enable savings associations to manage their liquidity risk in a more efficient manner and will free up the funds to be used for other purposes. The standard that associations and their service corporations must maintain sufficient liquidity to assure its safe and sound operation is appropriate.

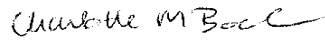
We do not believe that the regulation should describe or list the types of investments or activities that OTS will consider in determining whether a savings association or service corporation is maintaining sufficient liquidity for safe and sound operation. Such a determination can be made using the existing examination process without hindering flexibility with an explicit regulation. We request that the OTS make conforming amendments to the Thrift Financial Report and its instructions.

¹ ACB represents the nation's community banks of all charter types and sizes. ACB members pursue progressive, entrepreneurial and service-oriented strategies in providing financial services to benefit their customers and communities.

² 66 Fed. Reg. 70526 (Nov. 24, 2000).

ACB appreciates the opportunity to comment on this important matter. If you have any questions, please contact the undersigned at (202) 857-3121.

Sincerely,



Charlotte M. Bahin
Director of Regulatory Affairs
Senior Regulatory Counsel