

First Federal Bank F.S.B.

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CLARENCE ZUGELTER
PRESIDENT
CHIEF EXECUTIVE OFFICER
AND CHAIRMAN OF THE BOARD

December 9, 2002

Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552

Comment Request: Notice of Hiring or Indemnifying Senior Executive
Officers or Directors
OMB Number 1550-0047

Respondent: First Federal Bank of Kansas City – Docket #2825

I would like to take this opportunity to address the proposal requiring agency notification and approval for new senior executive officers and directors of financial institutions, and whether this proposed collection of information is necessary for the proper performance of the functions of the OTS.

I would agree that the OTS, or any supervisory agency, has a need to monitor the capabilities of new senior executive officers or directors for a troubled institution, but not a highly rated, well-managed institution.

The Board of Directors and senior management teams of well-managed institutions should be permitted to make board member and senior executive officer decisions without prior approval of the OTS. Agency notification of new directors or senior executive officers is not a concern and would be viewed as good business practice.

In light of the corporate governance issues contained within the Sarbanes/Oxley Act, this alone is becoming a greater challenge to recruit qualified candidates for board members, much less requiring additional prior approval by the OTS. The individual institution would have a goal of recruiting the most talented and capable individuals to serve on their boards, and recruit the best-qualified candidates for senior executive positions.

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In the case of First Federal Bank, we have a policy of recruiting a new director to serve as advisory director for a minimum period of twelve months, before being considered to fill the role of a full voting directorship of the bank. This permits both the individual, as well as the bank, to make a determination if the candidate is qualified and compatible with operating philosophies of the institution.

The proper performance of the OTS can best be served by focusing the proposed requirement on troubled institutions, and permit well-managed, highly rated institutions to retain the ability of making their own decisions regarding new board members and senior executive officers.

I sincerely appreciate the opportunity of responding to your proposal. If you should have any questions or comments, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Clarence Zugel", with a long horizontal flourish extending to the right.

Clarence Zugel
President/Chief Executive Officer
Chairman of the Board

CZ/cm