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FRONTIERBANK

February 5, 2001

Office of Thrift Supervision
1700 G. Street, NW
Washington, DC 20552

Re: Proposed Regulations
Savings & Loan Holding Company Transactions

RECEIVED
2001 FEB -8 A 9 50
REGULATION SERVICES
DIVISION

Dear Sir or Madam:

Frontier Bank and its holding company, Rock Rivers Bancorp, are concerned about proposed regulations, which would require prior notification, and in some cases prior approval of transactions by savings and loan holding companies.

While we understand the need to regulate thrift institutions and to some extent their holding companies, which the Office of Thrift Supervision does very effectively, we fail to see how the proposed regulations would improve current oversight by your agency.

Frontier Bank is a fairly small institution (assets of \$110 million). It is the primary asset of its holding company, which has a modest amount of acquisition debt (about 16% of the Book Value of its holdings in Frontier Bank). According to your proposed regulations, Rock Rivers Bancorp would need to give prior notice to or seek the approval of OTS for an increase in debt of 5%. For us, this would cover a transaction as small as 0.80% of Frontier Bank's equity, or about the amount of a month's earnings. Isn't that a bit ridiculous? We think so.

We believe your proposal should be withdrawn.

It appears that you are getting at some kind of capital standards for holding companies. If that is your intent, we believe it would make more sense to make a capital proposal through the normal rulemaking process, which would be open for comment by interested parties.

Sincerely,

George Schneidermann
President & CEO