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December 11, 2000

Manager, Dissemination Branch  
Information Management Services Division  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552  
Attention Docket No. 2000-93

Re: Federal Savings Association Bylaws; Integrity of Directors

Dear Sir or Madam:

The Independent Community Bankers of America (ICBA)<sup>1</sup> appreciates the opportunity to comment on the Office of Thrift Supervision's (OTS) proposal to create a class of preapproved optional bylaw provisions that savings associations may adopt.

Financial institutions implement policies and procedures to govern many of their day-to-day activities. Frequently, they look to regulators and their trade associations for guidance in developing these policies. This is especially important for smaller institutions with limited in-house resources. The ICBA applauds the OTS for taking this step and offering the appropriate guidance. As long as it is clear that these are model provisions that a savings association may use at its option, development and publication of these model provisions will provide a useful service.

The first proposed optional bylaw is included in this proposal. It is designed to insure the integrity of those who serve on a saving association's board of directors. Under the proposed bylaw, a person would not be qualified to be a director if he or she

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<sup>1</sup> ICBA is the primary voice for the nation's community banks, representing 5,300 institutions at over 16,900 locations nationwide. Community banks are independently owned and operated and are characterized by attention to customer service, lower fees and small business, agricultural and consumer lending. ICBA's members hold more than \$486 billion in insured deposits, \$592 billion in assets and more than \$355 billion in loans for consumers, small businesses and farms. They employ over 239,000 citizens in the communities they serve.

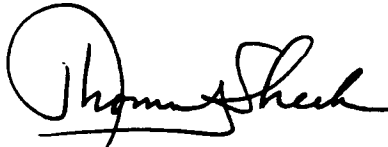
has been indicted or convicted of a criminal offense involving breach of trust (where the potential penalty is over one year); if a banking agency has issued a cease and desist order against the person within the past ten years; or if a regulator has issued a final decision that the person breached a fiduciary duty for personal profit or committed a willful violation of any bank, securities, commodities or insurance rule.

The ICBA believes that the drafted language is an appropriate optional bylaw provision.

The OTS also inquired whether this bylaw should include provisions that would prevent persons ineligible to serve as directors from also nominating directors. The ICBA does not believe that such an extra step is necessary since it would make the nominating process unduly cumbersome. Requiring a savings association to ensure that anyone nominating a director meet the same standards would be a time-consuming and unnecessary burden, both to research the nominator and to ensure that sufficient records are kept to demonstrate that the necessary research has been done. The important factor is that directors themselves be individuals of integrity.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Sheehan". The signature is written in a cursive style with a large initial "T" and "S".

Thomas J. Sheehan  
President