

No. 2006-29 From: Susan Stepner [SStepner@nyba.com] on behalf of Bill Bosies [bbosies@nyba.com]
Sent: Monday, September 18, 2006 3:02 PM
To: Comments, Regs
Subject: No. 2006-29

Michael P. Smith

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September 18, 2006

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Attention: No. 2006-29

Dear Sir or Madam:

In response to the notice of proposed rulemaking published in the July 20, 2006 Federal Register, the New York Bankers Association is submitting these comments on stock benefit plans in mutual-to-stock conversions and mutual holding company structures. Our Association supports the proposal and urges that it be adopted. The New York Bankers Association is comprised of the community, regional and money center commercial banks and thrift institutions doing business in the State of New York, including virtually every mutually-owned, OTS-regulated institution. In aggregate, our members hold more than \$3 trillion in assets and employ more than 340,000.

This proposal would clarify stock benefit plans established after mutual-to-stock conversions or in mutual holding company structures, identifying more explicitly the percentage limits applicable to such plans. It would also alter voting requirements for the adoption of such plans, making them more consistent with voting requirements governing the issuance of stock benefit plans by non-mutual institutions. The proposal would also make several other changes in the regulations governing such conversions, which are designed to simplify and clarify the process.

The purpose of the proposal is primarily to codify a series of interpretive rulings and individual letter rulings adopted by the Office of Thrift Supervision in recent years. By incorporating these rulings into regulations, the proposal will ease some of the regulatory burden on supervised institutions by ensuring that all mutual and converted institutions are aware of these interpretations. In addition, the proposal would make it easier for mutual institutions and institutions that have converted from mutual to stock form to permit employees to participate in stock benefit plans. Our Association shares these goals.

If this proposal is adopted, stock benefit plans would continue to be subject to all of the regulations of stock benefit plans offered by stockholder-owned institutions, including the regulations of the Securities and Exchange Commission and Department of Labor, other regulations of the Office of Thrift Supervision, and, in the case of state-chartered thrift institutions, the applicable regulations of state banking departments.

Our Association therefore believes that the proposal represents appropriate regulatory burden relief which does not lessen shareholder protection. We support the proposal and urge that it be adopted.

Sincerely,

Michael P. Smith

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