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September 18, 2006

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

Re: Stock Benefit Plans in Mutual-to-Stock Conversions and Mutual Holding Company Structures – OTS Docket No. 2006-29 (RIN 1550-AC07)

Dear Sir or Madam:

The New Jersey League of Community Bankers\* (“the League”) strongly supports the proposed Office of Thrift Supervision rule on “Stock Benefit Plans in Mutual-to-Stock Conversions and Mutual Holding Company Structures.” Of the 72 savings associations, savings banks and commercial banks, 17 have mutual holding companies regulated by the OTS and eight are mutual savings associations regulated by the OTS.

The mutual holding company form of organization is an important alternative for mutual savings associations that provides the opportunity to raise capital as needed on an incremental basis. We agree that the proposed amendments to the mutual and mutual holding company regulations will help to clarify the current regulations and reduce the regulatory burden on mutual holding companies. The proposed amendments will also help ensure that savings associations owned by a mutual holding company are able to offer stock benefit plans that will help them to hire and retain the highly qualified staff needed to operate in today’s increasingly competitive market for financial services.

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\* The New Jersey League of Community Bankers, founded in 1908, is a trade association representing 72 of New Jersey’s savings banks, savings & loan associations and commercial banks with total assets of over \$85 billion. The League’s wholly-owned subsidiary, the Thrift Institutions Community Investment Corporation (“T.I.C.I.C.”) assists League members in forming consortia to make loans on low-to-moderate income housing and economic development projects throughout New Jersey. Since its founding in September 1991, T.I.C.I.C. has closed almost \$250 million in loans to create nearly 4,700 units of housing affordable to families, senior citizens and citizens with special needs. In addition, TICIC’s loan pipeline will create another 640 residential units to serve the needs of communities throughout the state.

**Robert S. Monteith**  
**Chairman**  
President/CEO  
NVE Bank  
Englewood, NJ 07631

**Herbert L. Hornsby, Jr.**  
**First Vice Chairman**  
President/CEO  
Cape Savings Bank  
Cape May Court House, NJ 08210

**John H. Wessling, III**  
**Second Vice Chairman**  
President/CEO  
Haven Savings Bank  
Hoboken, NJ 07030

**James R. Silkensen**  
**President**  
New Jersey League  
of Community Bankers  
Cranford, NJ 07016

The League strongly supports making it clear that stock benefit plans must be approved by a majority of the minority shares only when the plan is adopted within the first year after a minority stock issuance. After that first year, we believe that it is important for mutual holding companies to have the same majority voting rights as majority shareholders in other corporations. The interests of the minority shareholders will continue to be protected by the OTS regulations that place restrictions on stock benefit plans and by the fiduciary duty that the mutual holding company directors have to the shareholders, depositors and other stakeholders of the company.

If the OTS fails to adopt the proposed regulations, it will embolden activist shareholder interference and create uncertainty about the voting rights of a mutual holding company, greatly limiting the value and viability of the mutual holding company charter.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Silkensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

James R. Silkensen  
Acting President