

# Mutual Federal Savings Bank

January 27, 2005

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

Attention: No. 2004-53

Re: Community Reinvestment Act-Community Development, Assigned Ratings  
69 FR 68257 (November 24, 2004)

Dear Sir or Madam:

On behalf of Mutual Federal Savings Bank, we appreciate the opportunity to comment on the proposal issued by the Office of Thrift Supervision that would provide additional flexibility to savings associations in meeting the requirements imposed by the Community Reinvestment Act. We strongly support the proposal to provide additional flexibility to the definition of "community development," and believe that this change is long overdue. We request the OTS to adopt the proposal because we view it as real regulatory relief.

Further, we strongly support the proposal to provide flexibility in assigning ratings for CRA purposes. We meet the needs of the community everyday but the burden of meeting requirements of the CRA regulations diminishes our ability to use the resources where they are most needed in our community. Permitting institutions to determine how best to allocate the time, financial support and human capital will help those in the community who need it the most- and all the bank regulators should recognize this.

We appreciate the OTS's creative and innovative efforts to help us solve the conflict that sometimes arises in trying to comply with a regulation and yet meet the real needs of our community. Providing us the flexibility to determine how much weight should be assigned to the lending, investment and service tests will permit us to make choices involving our community that are based what it needs, whether it is lending, investment or service, and not governed by goals that are established elsewhere.

Community banks are burdened by so many regulations that impact all aspects of operations, we need relief from the requirements that result in no benefit for our community or customers. We welcome relief from the arbitrary burdens imposed by the current CRA examination weightings.



121 South Ohio Avenue  
P.O. Box 4217  
Sidney, Ohio 45365-4217

937-498-0244  
Fax 937-498-0483

188 North Sunset Drive  
P.O. Box 732  
Piqua, Ohio 45356-0732  
937-773-9900  
Fax 937-773-6131

2140 Michigan Street  
Suite A  
Sidney, Ohio 45365  
937-498-0244  
Fax 937-498-0483

1867 West Main Street  
Troy, Ohio 45373  
937-339-9993

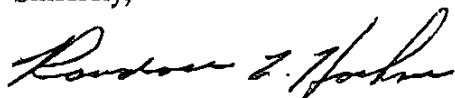


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Serving the needs of our community is why we are in business. We urge all of the federal banking regulators to look for ways to eliminate some of the burden of compliance. This is a good step and we strongly support the OTS.

Thank you for the opportunity to comment on this proposal.

Sincerely,



Randall L. Hoehne  
Vice President  
Chief Financial Officer

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