



April 17, 2006

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

Attention: No.2006-05

Re: Federal Savings Association Bylaws: Integrity of Directors
71 FR 7695 (February 14, 2006)

Dear Sir or Madam:

America's Community Bankers ("ACB")¹ is pleased to comment on a proposed amendment to the Office of Thrift Supervision ("OTS") regulations concerning corporate governance of federally chartered savings associations and mutual holding companies ("savings associations"). This amendment would revise the current OTS pre-approved bylaw provisions that are intended to streamline corporate governance procedures for savings associations, thereby reducing regulatory burden.

ACB Position

ACB generally supports OTS's proposed optional pre-approved bylaws that would disqualify from board service and the board nominating process any person who "(i) is under indictment for, or has been convicted of, a criminal offense involving dishonesty or breach of trust and the penalty for the offense could be imprisonment for more than one year; (ii) has been subject to a banking agency final cease and desist order for conduct involving dishonesty or breach of trust; or (iii) has been found, either by a regulatory agency whose decision is final and not subject to appeal by a court, to have breached a fiduciary duty under circumstances involving personal profit..."

¹ America's Community Bankers is the member driven national trade association representing community banks that pursue progressive, entrepreneurial and service-oriented strategies to benefit their customers and communities. To learn more about ACB, visit www.AmericasCommunityBankers.com.

The pre-approved optional bylaws differ from the pre-approved bylaws adopted by OTS in 2001 in that they make the period of disqualification for board service indefinite and add the nomination bylaw first considered by OTS in 2001. However, as the OTS notes, the amended pre-approved bylaws do not foreclose an individual institution from adopting different bylaws regarding director qualifications. OTS would consider any specific time period for board disqualification chosen by the adopting institution to also be pre-approved. Such an institution would only have to file a notice with OTS thirty days after adoption. Any institution could also adopt a more restrictive bylaw if it chose to do so, and could submit its proposal to the OTS for approval.

As the OTS notes in its proposal, Congress and the federal banking agencies have recognized the importance of public trust in financial institutions and the persons who serve as board members of those institutions. Since the enactment of the Sarbanes-Oxley Act of 2002, there has been increased public scrutiny concerning the composition, independence and activities of boards of directors. Preserving the reputation of boards of directors is important for savings associations and for all financial institutions.

ACB appreciates the opportunity to comment on this matter and supports the OTS in its ongoing efforts to eliminate regulatory burdens on its supervised institutions while providing resources to the management of savings associations. Please contact the undersigned at 202 857-3121 or pmilon@acbankers.org if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Milon". The signature is fluid and cursive, with a large initial "P" and "M".

Patricia A. Milon
Chief Legal Officer and Senior Vice President,
Regulatory Affairs