

From: Slavie Federal Savings Bank, Phil Logan
Proposal: 1429 (RIN 7100-AD80) Reg LL & MM - Savings and Loan Holding Companies
Subject: Reg LL & MM Savings and Loan Holding Companies

Comments:

November 1, 2011
Ms. Jennifer J. Johnson
Secretary
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Secretary Johnson,

I am writing this comment letter in response to the Federal Reserve Board's Interim Final Rule on dividend waivers by mutual holding companies ("MHCs").

Slavie Federal Savings Bank was founded as a mutual institution in May 1900 by immigrants from Bohemia and migrated to the eastern section of Baltimore City near Johns Hopkins Hospital. On December 30, 2004, Slavie converted to a mutual holding company from a mutual financial institution in order to raise capital while preserving our business model under the mutual form of ownership under the regulatory authority of the Office of Thrift Supervision ("OTS").

At the same time we applied as a MHC, we were granted a dividend waiver from the OTS with the purpose of preserving capital. Today, our purpose has not changed. In a challenging economic environment, our reason for wanting to continue to waive dividends remains the same. Capital is king and we want to preserve capital.

Since Slavie Bancorp, MHC was formed before December 1, 2009 and waived dividends prior to that date, the plain language of Section 625 (a) of the Dodd-Frank Act defines Slavie Bancorp, MHC as a grandfathered MHC and may continue to waive dividends without requiring a member vote.

The Interim Rule, as drafted by the Federal Reserve, effectively eliminates the ability of MHCs and even grandfathered MHCs to waive dividends by requiring a member vote approval that few MHCs will be able to obtain. The vote threshold is effectively designed to prevent MHCs from waiving dividends, and shows a clear bias by the Federal Reserve Board against MHCs and mutuality.

Therefore, we are asking the Federal Reserve Board to comply with Section 625 (a) of the Dodd-Frank Act to allow Slavie Bancorp, MHC to continue to waive dividends to preserve capital and to serve their customers as a mutual institution which we have been doing so well since 1900.

Respectfully yours,

Philip E. Logan
Slavie Bancorp, MHC
Slavie Federal Savings Bank