Cheviot Savings Bank

October 21, 2011

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

Via: US Mail and Fax 202-452-3819 or 202-452-3102

In re: FRB Interim Final Rule on Dividend Waivers
Cheviot Savings Bank 00597

Dear Ms. Johnson:

I am writing this letter due to my concerns with the Federal Reserve Board's Interim Final Rule on Dividend Waivers. Cheviot Savings Bank has operated effectively as a Mutual Holding Company since 2004. Since Cheviot Savings Bank began in 1911, our institution originated residential and commercial loans and provided deposit products to individuals and companies in our market area around Cincinnati, Ohio.

During the past 100 years, Cheviot Savings Bank has been a profitable and very strong financial institution. Under the MHC structure, our bank was able to raise capital for growth and investment in a manner that guaranteed our ability to remain independent.

The Interim Rule, as drafted by the Federal Reserve, effectively eliminates the ability of MHCs to waive dividends by requiring a member vote approval that will be very expensive and difficult to obtain.

There is no evidence that any members or depositors have been adversely affected by MHC dividend waivers under the OTS regulations.

Adopting a rule that has a negative effect on the ability of mutual companies to raise capital is counter-intuitive, particularly in the current economic environment.

I strongly recommend that the Federal Reserve reconsider this rule. Paying dividends on MHC shares does nothing but reduce the capital available to lend, reduce the investment to shareholders and ultimately slows growth.

Sincerely,

By ______________________
Thomas J. Linneman, President & CEO
Cheviot Savings Bank
Cheviot Mutual Holding Company
Cheviot Financial Corp.

3723 Glenmore Avenue • Cincinnati, OH 45211 • (513) 661-0457
www.cheviotsavings.com