CLIFTON SAVINGS BANK
Service is our language.
Chartered 1928 • Member FDIC
Administrative Offices: 1433 Van Houten Ave • PO Box 2149 • Clifton, NJ 07015-2149 • 973-473-2200 • Fax: 973-473-0451 • www.cliftonsavings.com

September 25, 2012

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

Re: Basel III Proposals; Docket No. 2012-0008

Dear Ms. Johnson:

We are a small bank with just over $1 billion in assets and only 12 branches in Passaic and Bergen Counties in New Jersey. We keep all the loans we originate or purchase. We sell none. Our specialty is quality residential loans. Our NPAs are at 0.41%, the lowest of any thrift or bank in the State.[1] Our total capital ratio is 38.3%, the highest of any thrift or bank in the State.[2]

Strong community banks like ours don't need to hire more staff to track capital.

There is no reason why the capital requirements that cause the rules that apply to the big regional, national and international banks should be forced on us. They made poor investments, packaged them and sold them. They caused the problems. We didn't. They need the new capital requirements. We don't. We suggest you impose the new rules on them and let us continue banking as we always have, the old-fashioned way and without the need of hiring extra staff.

Forcing us to increase our staff to keep unnecessary records will have a drastic effect on our already hard-pressed earnings and will negatively impact the earnings of all well-run community banks like ours.

Very truly yours,

CLIFTON SAVINGS BANK

John A. Celentano, Jr.
Chairman

JAC,JR:cf

cc: maffuso@njbankers.com

[1] Boenning & Scattergood, Eastern Regional Bank and Thrift Review, July 2012.
[2] Ibid.