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April 25, 2012

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

Re: **Unforeseen, unearned and unapportionable dividends**  
Interim Final Rule 12 C.F.R. 239.63(d)  
Docket No. R-1429

Dear Members of the Board of Governors:

We call the attention of the Board of Governors to our opposition to the form of the above interim final rule.

Clifton Savings Bank, founded in 1928 as a building and loan association, has grown in 84 years safely and steadily to \$1.1 billion. Banking to us is a public trust. We conservatively originate loans, service them and rely upon them to earn money to pay interest and dividends. We keep all our loans. We don't package them for sale or trade them.

When we announced in our Prospectus in 2004 that we intended to pay "regular cash dividends," we anticipated that our mutual holding company, Clifton MHC, would waive dividends paid by Clifton Savings Bancorp, Inc. and that our regulator, the Office of Thrift Supervision ("OTS"), would approve the waivers. What we anticipated the OTS would do is, in fact, what it did. It approved the waiver of each and every dividend by Clifton MHC, all 31 consecutive dividends. It was upon this anticipation of regulatory approval that the value of our stock was based by our regulator; it was on that approval that the public relied. It was simply not anticipated by the purchasers of our stock or the depositors then OR the depositors now that the rules could change in the middle of the game.

Since we became public, we have paid each and every penny of interest earned by depositors on their accounts. The idea, now, that the depositors get dividends in addition to the interest earned on their accounts is bizarre. Such a windfall to depositors is something no depositor anticipated and it would be **unforeseen, unearned and unapportionable**.

Very respectfully yours,

CLIFTON MHC

John A. Celentano, Jr.  
Chairman and CEO

JAC,JR:cf