

BANK OF GREENE, DONALD GIBSON

Proposal and Comment Information

Title: Regulatory Modernization and Relief for Mutual Holding Companies (Reg Q and MM), R-1895

Comment ID: FR-2026-0027-01-C49

Submitter Information

Organization Name: Bank of Greene

Organization Type: Company

Name: Donald Gibson

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October 1, 2026

Benjamin McDonough
Secretary

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

**Re: Regulatory Modernization and Relief for Mutual Holding Companies; Docket
No. R-1895; RIN 7100-AH26**

Dear Mr. Secretary,

The Bank of Greene appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's proposed amendments to Regulations Q and MM concerning the regulatory framework for mutual holding companies and mutual banking organizations.

By way of background, I have spent nearly four decades in community banking, and I have spent my entire career at the Bank of Greene. I currently serve as President and CEO of Greene County Bancorp Inc. and the Bank of Greene, a 137-year-old institution that proudly serves communities across New York State's Capital Region and Hudson Valley. We serve retail, municipal, commercial, and private banking clients, and remain deeply focused on relationship-based, locally driven banking.

I'm writing today on behalf of the Bank's Board of Directors, employees, and the broader community we serve to say we fully support the proposed regulatory changes.

When I joined our bank in 1987, we had approximately \$60 million in assets and operated from a single office. Today, we have grown to more than \$3 billion in assets while remaining locally owned, independent, and deeply focused on serving our communities. That experience has given me a firsthand perspective on both the opportunities and the increasing challenges facing community banks.

One important consideration in this discussion is the decline of community banking institutions over time.

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When I started in community banking in 1987, in New York State's Capital Region, there were approximately 100 locally based community banks. Today, only five remain. That level of consolidation is significant.

While some consolidation is natural, it is important to recognize that increasing regulatory complexity, rising compliance costs, and structural limitations can accelerate this trend.

When locally based institutions disappear, we do not just lose banks, we lose local decision-making, relationship-based lending, and long-term community investment.

Our institution intentionally chose the mutual holding company structure because it allowed us to access capital to support growth while preserving local ownership, community ties, governance stability, and long-term independence.

For us, independence is not simply a matter of corporate structure. It means that decisions affecting our customers and communities continue to be made by people who live and work in those communities and understand them. It allows us to take a long-term view of our customers, employees, and markets rather than allowing short-term considerations to dictate the direction of the institution.

By reducing unnecessary procedural burden and by providing greater flexibility within the mutual holding company structure, regulators can lower the cost of remaining independent, improve capital management flexibility, and allow institutions to reinvest more resources back into their communities. These are not theoretical improvements. They are practical changes that can help ensure more community banks remain viable, independent, and locally focused for the long term.

I would also like to highlight one particularly important aspect of the proposal: the treatment of mutual holding company dividend waivers.

Under the current regulatory framework, we must obtain approval of a dividend waiver within the preceding 12 months from a majority of all mutual members eligible to vote—not simply a majority of the members who participate in the vote. This is an exceptionally high bar. For an institution with thousands of depositor-members, many of whom do not routinely participate in corporate governance matters, this creates a significant and costly procedural burden.

Over the past 15 years, our depositors have approved the dividend waiver by approximately 99% annually.



We fully support transparency and depositor protections, but after consistently receiving overwhelming approval year after year, the current annual voting process has become extraordinarily costly and operationally burdensome relative to the practical benefit being achieved.

Over the past 15 years, we have spent millions of dollars completing this process. Each year, for approximately one month, more than 10% of our workforce is dedicated to contacting depositors and helping facilitate the vote.

Depositors often ask us a simple question:

"How many times do we need to vote on the same issue when we have already approved it year after year?"

The Board's proposal recognizes an important principle: meaningful depositor protections can be preserved without imposing repetitive and costly regulatory requirements that provide diminishing practical benefit. For institutions like ours, these reforms will allow more time and resources to be directed where they matter most: to our customers, our employees, our communities, and the continued strength and independence of our institution.

For 137 years, Bank of Greene has remained committed to independent, locally focused community banking. We believe the thoughtful modernization contained in this proposal will help mutual holding companies like ours continue to grow responsibly, remain independent, and serve their communities for generations to come.

On behalf of the Bank's Board of Directors, employees, and the broader community we serve, we thank the Board of Governors of the Federal Reserve System for recognizing the unique value of the mutual holding company structure and for advancing these thoughtful and meaningful reforms.

Respectfully,

A handwritten signature in black ink, appearing to read "Donald E. Gibson", written over a horizontal line.

Donald E. Gibson
President & CEO
Bank of Greene
Greene County Bancorp MHC