

FDIC

Federal Deposit Insurance Corporation
Washington, DC 20429

Division of Supervision

October 2, 1998

Board of Directors
Cortland Savings Bank
1 North Main Street
Cortland, New York 13045

Dear Members of the Board:

The notice of proposed mutual-to-stock conversion and subsequent amendments thereto, filed on behalf of Cortland Savings Bank, Cortland, New York (Bank), have been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to section 303.15 of the FDIC Rules and Regulations. As described in the notice and amendments, the Bank proposes to convert from a New York State chartered mutual savings bank to a New York State chartered stock savings bank.

Based on the information and representations presented, the FDIC does not object to the proposed conversion on the terms outlined in the notice as amended and supplemented.

Please advise the New York Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

Mark S. Schmidt
Associate Director

cc: Mr. Jay L. Hack
Serchuk & Zelermyer, LLP
81 Main Street
White Plains, New York 10601