



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429 9990

Division on of Supervision and Consumer Protection

VIA FACSIMILE AND CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Directors
Haven Savings Bank
621 Washington Street
Hoboken, New Jersey 07030

Dear Members of the Board:

The notice of intent to convert from mutual form to stock form filed on behalf of Haven Savings Bank, Hoboken, New Jersey (Haven), has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to 12 C.F.R. Sections 303.160– 303.163 and other pertinent FDIC regulations. Based on the information presented and the representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify our New York Regional office in writing when the proposed transaction has been consummated. If an extension of the time limit included in the Order is required, a letter requesting a specific extension of the limitation, including reasons therefore, should be submitted to the New York Regional Office.

Sincerely,

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Christopher J. Spoth
Senior Deputy Director

Enclosures

cc: Robert B. Pomerenk, Esq.
Luse Gonnann Pomerenk & Schick, P.C.
5335 Wisconsin Avenue, N.W., Suite 400
Washington, D.C. 20015

FEDERAL DEPOSIT INSURANCE CORPORATION

Haven Savings Bank
Hoboken, Hudson County, New Jersey

Application for Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section J8(c) and other provisions of the Federal Deposit Insurance (FDI) Act, an application has been filed on behalf of Haven Savings Bank, Hoboken, New Jersey (Mutual Institution), currently a state-chartered, mutually-owned Deposit Insurance Fund (DIF) member with total resources of \$715,947,000 and total deposits of \$551,749,000 as of June 30, 2009, for the FDIC's consent to merge with Haven Interim Bank II, a proposed new interim New Jersey chartered stock savings bank.

The transaction is to effect the Mutual Institution's plan of reorganization which, solely to facilitate such undertaking, provides for:

- Mutual Institution to organize a new interim stock savings bank under New Jersey law as a wholly-owned subsidiary to be known as Haven Interim Bank I (Interim I);
- Interim I to organize a New Jersey-chartered interim stock savings bank, Haven Interim Bank II (Interim II), as a wholly owned subsidiary;
- Interim I to organize Haven Bancorp, Inc., a new wholly-owned Delaware-chartered subsidiary corporation (Stock Holding Company);
- Mutual Institution to convert to the capital stock form of organization by exchanging its charter for that of a New Jersey stock savings bank (Stock Bank), while Interim I will exchange its certificate of incorporation for a New Jersey chartered mutual holding company to become Haven Bancorp, MHC (Mutual Holding Company);
- Interim II to immediately merge with and into Stock Bank, with the Stock Bank as the surviving entity under the name Haven Savings Bank (Resultant Bank). All of the initially issued stock of the Stock Bank will be transferred to the Mutual Holding Company in exchange for membership interests in the Mutual Holding Company;
- The Mutual Holding Company to immediately thereafter contribute 100 percent of the shares of the Resultant Bank to the Stock Holding Company, and the Resultant Bank will become a wholly-owned subsidiary of the Stock Holding Company.

Upon consummation of the reorganization, the deposits of Haven Savings Bank will continue to be insured under the DIF. On the effective date of the reorganization, Haven Savings Bank will be a stock bank that is wholly owned by Haven Bancorp, Inc., which will be wholly owned by Haven Bancorp, MHC. Applications for the establishment of Haven Bancorp, MHC and Haven

Bancorp, Inc. have been approved by the Federal Reserve Bank of New York. The New Jersey Department of Banking and Insurance has granted Haven Savings Bank the authority to conduct a banking business and approved the establishment and operation of a stock savings bank.

Following consummation of the merger, Haven Savings Bank will operate the same banking business, with the same management, at the same locations now being served by the Mutual Institution. The proposed transaction will not alter the competitive structure of banking in the market served by the Mutual Institution. Haven Savings Bank's main office will continue to be located at 621 Washington Street, Hoboken, New Jersey.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the Mutual Institution disclosed no inconsistencies with the purposes of the CRA. Haven Savings Bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the financial and managerial resources and prospects of the Mutual Institution and the Resultant Bank, the convenience and needs of the community to be served, and the competitive effects of the proposed transactions. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money- laundering activities.

Having found favorably on all statutory factors, it is the FDIC's judgment that the application should be and is hereby approved, subject to the following conditions, some of which are continuing in nature:

1. That, except for the proposed transfer of stock to Haven Bancorp, MHC and the contribution of that stock by Haven Bancorp, MHC to Haven Bancorp, Inc., no shares of the stock of Haven Savings Bank shall be sold, transferred or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior notice is provided to, and non-objection is received from, the FDIC;
2. That, prior to a sale, transfer or other disposition of any shares of Haven Bancorp, Inc. by Haven Bancorp, MHC, to any person (including any Employee Stock Ownership Plan) or a conversion of Haven Bancorp, MHC to stock form, Haven Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with the state and Federal banking and/or securities regulators in connection with any sale, transfer, disposition or conversion;
3. That, should any shares of stock of Haven Savings Bank or Haven Bancorp, Inc. be issued to persons other than Haven Bancorp, MHC, any dividends waived by Haven Bancorp, MHC must be retained by Haven Bancorp, Inc. or Haven Savings Bank and segregated, earmarked or otherwise identified on its books and records; such amounts must be taken into account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of Haven Bancorp, MHC to stock form; such amounts shall not be

available for payment to or the value thereof transferred to minority shareholders, by any means including through dividend payments or at liquidation;

4. That, any change in proposed management, including the board of directors, will render this approval null and void unless such proposal is approved by the FDIC prior to the consummation of the proposed transaction;
5. That, the proposed transaction may not be consummated unless and until the Resultant Bank (Haven Savings Bank) has the authority to conduct banking business, and that its establishment and operation as a stock savings bank have been fully approved by appropriate State of New Jersey officials, and both holding companies, Haven Bancorp, MHC and Haven Bancorp, Inc., are granted approval by the Board of Governors of the Federal Reserve System to become the holding companies for Haven Savings Bank;
6. That the proposed transaction may not be consummated later than six months after the date of this Order unless such period is extended for good cause by the FDIC; and
7. That, until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

Pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C. this 20th day of December 2009

Christopher J. Spoth
Senior Deputy Director
Division of Supervision and Consumer Protection