



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

Division of Supervision

February 22, 2002

VIA FACSIMILE AND BY CERTIFIED RETURN RECEIPT REQUESTED

Board of Directors
Heritage Savings Bank, SSB
102 W. High Street
Terrell, Texas 75160

Board of Directors:

The notice of intent to convert from mutual to stock form filed on behalf of Heritage Savings Bank, SSB, Terrell, Texas has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.163 and 333.4. Based on the information provided and representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify our Dallas Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

Michael J. Zamorski
Director

cc: Eric M. Marion
Elias, Matz, Tiernan & Herrick L.L.P.
12th Floor
734 15th Street, N.W.
Washington, D.C. 20005