



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

Division of Supervision and Consumer Protection

November 14, 2003

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Directors
The New Haven Savings Bank
195 Church Street
New Haven, Connecticut 06502

Dear Members of the Board:

By letter dated July 21, 2003, a request was filed on behalf of The New Haven Savings Bank, New Haven, Connecticut (Bank or NHSB), for a waiver of the depositor voting requirement at 12 C.F.R. § 333.4(c)(2) of the FDIC's mutual-to-stock conversion regulations (Conversion Regulations) in connection with the Bank's proposed mutual-to-stock conversion. The Conversion Regulations are set forth in 12 C.F.R. Part 303, Subpart I and § 333.4.

The Bank's waiver request was determined appropriate for consideration by the FDIC under the "good cause" exception to the Conversion Regulations, 12 C.F.R. § 303.162(a)(2), rather than the "conflicts with State law" exception under 12 C.F.R. § 303.162 (a)(1), since the depositor vote requirement in the Conversion Regulations does not present a conflict with Connecticut law. Instead, the FDIC's depositor vote requirement is supplemental to Connecticut law and procedures for mutual-to-stock conversions.

The preamble to the Conversion Regulations addresses the standards under which a depositor vote waiver will be granted. The preamble states:

“...on a case-by-case basis, the Board will consider waiving the depositor voting requirement if it is demonstrated, to the Board's satisfaction, that the alternative voting mechanism established under the applicable state law satisfies the concerns expressed above about the need for a vote on the conversion by parties that are not insiders and do not have a potential conflict of interest in reviewing the proposed conversion.” See 59 Fed. Reg. 61233, 61238 (November 30, 1994).

In 1995, the Connecticut Banking Commissioner issued corporator voting procedures for the mutual-to-stock conversion of state mutual savings banks. See Connecticut Department of Banking, Policy and Interim Requirements Concerning Conversions of Mutual Savings Banks to Capital Stock Banks and Reorganizations of Mutual Savings Banks to Mutual Holding Companies (1995).

A committee that consisted of three outside Bank directors nominated a group of non-director corporators for consideration by NHSB's board of directors. On February 25, 2003, NHSB's board of directors selected 20 non-director corporators for the institution. NHSB's non-director corporators consist of various corporate and community leaders from NHSB's market area which includes New Haven and Middlesex Counties.

The FDIC has determined that a majority of the Bank's corporators are not insiders and have no apparent potential conflict of interest. NHSB's board of directors used proper screening procedures to ensure that non-director corporators would not have a potential conflict of interest. The Bank provided these corporators with outside counsel who provided legal advice regarding the Bank's proposed plan of conversion and related merger applications. A majority of these independent corporators voted to approve the Bank's plan of conversion.

In addition to reviewing the depositor vote waiver request under 12 C.F.R. § 303.162(a), the FDIC also has reviewed the Bank's waiver request under the following criteria as set forth in 12 C.F.R. § 303.162(b):

the requested waiver, if granted, would not result in any effects that would be detrimental to the safety and soundness of the institution, entail a breach of fiduciary duty on part of the institution's management or otherwise be detrimental or inequitable to the institution, its depositors, any other insured depository institution(s), the federal deposit insurance funds, or to the public interest.

Based on the information available to the FDIC, including information presented by the Bank in connection with the waiver request, the FDIC approves the waiver of its depositor vote requirement. In reaching this decision, the FDIC has determined that this vote by the majority of the independent corporators constituted a sufficiently independent review of the Bank's plan of conversion for purposes of satisfying the above criteria and related supervisory concerns.

Please note that the FDIC is continuing to review the Bank's proposed plan of conversion, merger applications, and supporting documents. Our future decision whether to issue a letter of non-objection to the Bank's plan of conversion will constitute a separate agency action under the Conversion Regulations (see 12 C.F.R. § 303.162(d)). Similarly, we will be reviewing the Bank's merger applications under the Bank Merger Act, section 18(c) of the Federal Deposit Insurance Act, and implementing FDIC regulations in Part 303, Subpart D. In addition, the

Bank must satisfy the disclosure requirements for any offering materials currently under review by the FDIC's Accounting and Securities Disclosure Section.

Sincerely,

/S/

Lisa K. Roy
Associate Director

cc: William W. Bouton III
Tyler Cooper & Alcorn, LLP
185 Asylum Street
City Place/35th Floor
Hartford, CT 06103-3488