

OFFICE OF THRIFT SUPERVISION

Notice of Intent by Mutual Holding Company
to Waive Dividend from Subsidiary Savings Association

Order No. 95-176

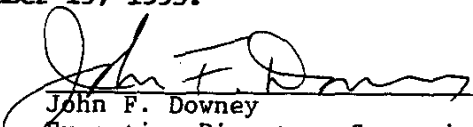
Date: September 19, 1995

First Federal Mutual Holding Company, Defiance, Ohio (the "MHC"), has filed with the Office of Thrift Supervision ("OTS"), pursuant to Section 10(o) of the Home Owners' Loan Act and 12 C.F.R. Section 575.11(d), a notice (the "Notice") of the MHC's intent to waive its right to receive a cash dividend declared by its subsidiary savings association, First Federal Savings and Loan Association, Defiance, Ohio (the "Savings and Loan"), to be paid on September 22, 1995.

The OTS has considered the written analyses and recommendations of the Central Regional Office, the Chief Counsel's Office and Corporate Activities and has determined that the waiver of the dividend by the MHC is not detrimental to the safe and sound operation of the Savings and Loan, provided that the conditions set forth below are satisfied. Accordingly, the OTS does not object to the waiver of the dividend by the MHC as proposed in the Notice subject to the following conditions:

1. For as long as the Savings and Loan is controlled by the MHC, the dollar amount of the dividends waived by the MHC must be considered as a restriction on the retained earnings of the Savings and Loan. Such restriction, if material, must be disclosed in the public financial statements of the Savings and Loan as a note to the financial statements. The amount of any dividend waived by the MHC shall be available for declaration as a dividend solely to the MHC. In accordance with Statement of Financial Accounting Standards No. 5, where the Savings and Loan determines that the payment of such dividends to the MHC is probable, an appropriate dollar amount shall be recorded as a liability; and
2. The amount of any waived dividend must be considered as having been paid by the Savings and Loan (and the Savings and Loan's capital ratios adjusted accordingly) in evaluating any proposed dividend under 12 C.F.R. §§ 563.134 and 565.6(a)(1), or any successor regulations.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective September 19, 1995.


John F. Downey
Executive Director, Supervision