



MASCOMA SAVINGS BANK

Incorporated in and mutually owned since 1899.

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January 8, 2004

Federal Housing Finance Board
1777 F Street, N.W.
Washington, DC 2006

ATTENTION: Public Comments

This letter is to express in writing the opposition of Mascoma Savings Bank to the Federal Housing Finance Board's proposal for the Federal Home Loan Banks to register with the Securities and Exchange Commission. The bank is in receipt of a copy of the Federal Home Loan Bank of Boston's December 22, 2003, letter to you on this matter and concurs with its comments.

Mascoma Savings Bank initially applied for membership in the Federal Home Loan Bank of Boston (then Cambridge) in 1932 and was qualified for membership on May 9, 1933. Mascoma Savings Bank became a member for one reason and one reason only: access to the system. During those times, and for many years thereafter, the bank's trustees and management viewed the system's provision of liquidity to be paramount. Over time, however, our bank has changed along with the financial services industry. We now use the system for other needs that weren't contemplated in 1932. During the more than seven decades that Mascoma Savings Bank has been a member (stockholder) we have experienced good and bad economic times. Never have we felt that we were ill informed as to the financial status of the Cambridge, now Boston, bank or the system as a whole.

Mascoma Savings Bank viewed its initial "investment decision" as a prudent one predominately because it gave us access to the system and its benefits. We continue to view our investment to be prudent for the same reason. I know of no other investor in this cooperative that looks at this investment differently. Today Mascoma Savings Bank may legally make loans of approximately \$9 million and the regulators deem that to be a reasonable commercial risk for a bank with our level of capital. A recent analysis of our required investment in the Federal Home Loan Bank of Boston following its conversion to its new capital plan was approximately a third of that amount, \$3.1 million. If the Mascoma Savings Bank were to lose its entire investment in the Boston bank, all things being even, it would not jeopardize our institution as an ongoing concern.

Clearly full financial disclosure is required today. This can be obtained without SEC registration while continuing to maintain the independence and integrity of a system that has served our citizens well for almost three-quarters of a century. Mascoma Savings Bank urges you to withdraw this proposal.

Sincerely,

Stephen F. Christy
President and CEO