

Comment Info: =====

General Comment: MWABank is a wholly owned subsidiary of Modern Woodmen of America, a fraternal benefit society incorporated under the laws of the State of Illinois. Modern Woodmen of America sells life insurance and annuities per a separate Insurance Code section governing fraternal benefit societies. MWABank currently has 25 employees and officers, and 5 outside directors. Modern Woodmen of America currently employs 415 people, including officers, 1235 outside sales agents and maintains a Board which includes 3 outside directors.

The proposed regulation, Part 585-Prohibited Service at Savings and Loan Holding Companies, in its present form, provides that a person with a particular criminal background may not, among other things, become, or continue as, an institution-affiliated party with respect to any savings and loan holding company. The definitional section defines the term "institution-affiliated party" by making reference to 12 U.S.C. 1813(u) which reads relevantly as follows:

"Institution-affiliated party. The term "institution-affiliated party" means--(1) any director, officer, employee or controlling stockholder (other than a bank holding company) of, or agent for, insured depository institution;?"

Although this definition refers specifically to an affiliation with an insured depository institution and not an affiliation with a holding company, the comments of the proposed regulation appear to require that this be read to substitute the term "savings and loan holding company" in exchange for the term "insured depository institution." If that is the case, then the proposed regulation could reasonably be read to include all and any employees, officers, directors and agents of the "holding company" of MWABank, namely Modern Woodmen of America, as well as MWABank. This would result in the necessity of obtaining criminal background information on up to 1683 persons at the cost of \$47.00 per each, without taking into consideration the expense and time required to process and file that information. Few, if any, Modern Woodmen of America employees have any connection with the day-to-day operations, control of, ownership, or participation in the conduct of the affairs of MWABank. Given the size of our operations, it would appear the funds that would be necessary to achieve this additional compliance could be better used elsewhere.

It is noted that in the regulation, as proposed, exceptions have been provided for the agents and employees of savings and loan holding companies whose primary business is in various non-related industries such as the agriculture, forestry, retail merchandising, manufacturing and public utilities industries, provided such employees do not perform bank related functions. This exception does not appear to extend to the activities of savings and loan holding companies whose primary business is the business of insurance. If it is reasonable to carve out exceptions for the agents and employees performing non-bank related functions in the aforementioned non-related industries: agriculture, forestry, retail merchandising, manufacturing and public utilities, then it is just as reasonable to likewise exempt

the agents and employees of holding companies engaged in the business of insurance. It is requested that the Office of Thrift Supervision amend the proposed regulation to include the industry of insurance in the list of exempt industry employee classifications provided the responsibilities of such agents and employees are limited solely to the business of insurance and that further their responsibilities do not cross over into the banking arena.

Respectfully submitted,

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