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

Division of Supervision

March 18, 1999

Board of Directors
Woronoco Savings Bank
31 Court Street
Westfield, Massachusetts 01086

Members of the Board:

The notice of proposed mutual-to-stock conversion and subsequent amendments thereto, filed on behalf of Woronoco Savings Bank, Westfield, Massachusetts (Bank) have been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to Section 303.160 of the FDIC Rules and Regulations. As described in the notice and amendments, the Bank proposes to convert from a Massachusetts chartered mutual savings bank to a Massachusetts chartered stock savings bank, which will be wholly owned by Woronoco Bancorp, Inc. (WBI), a thrift holding company to be formed as a part of this transaction. As part of the conversion, it is our understanding that the Bank and its holding company will create a Charitable Foundation (Foundation) with common stock contributed by the holding company.

The FDIC has relied on information provided in the Bank's notice of conversion and the accompanying business plan in reaching its decision. It is anticipated that notification of any planned material deviations from the business plan, such as a return of capital, will be provided to the FDIC in advance of the event.

Based on the information presented in the Bank's notice of conversion, as amended, the FDIC does not object to the conversion. Please advise the Boston Regional Office in writing when the conversion transaction has been completed.

Sincerely,

/S/

James L. Sexton
Director

cc: Mr. Douglas P. Faucette, Esq.
Muldoon, Murphy & Faucette
5101 Wisconsin Avenue, N.W.
Washington, D.C. 20016