

HOUSLEY KANTARIAN & BRONSTEIN, P. C.

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August 5, 1998

U.S. DEPT. OF LABOR  
PUBA/PUBLIC DISCLOSURE  
98 AUG 24 AM 8:30

\*NOT ADMITTED IN DC

Top Hat Plan Exemption  
Pension and Welfare Benefits Administration  
U.S. Department of Labor, Room N-5644  
200 Constitution Avenue N.W.  
Washington, DC 20010

Re: FirstFed Bancorp, Inc.  
1995 Stock Option and Incentive Plan as Amended

Dear Sir/Madam:

Please be advised that on May 19, 1998, FirstFed Bancorp, Inc. approved an amendment to the FirstFed Bancorp, Inc. 1995 Stock Option and Incentive Plan ("Option Plan") by which holders of restricted stock awards may elect to defer the receipt of shares of restricted stock. Under Section 104(a)(3) of the Employee Retirement Income Security Act ("ERISA"), we intend that this letter satisfy the disclosure requirements applicable to the Plan under Part 1 of Title I of ERISA (in accordance with 29 CFR §2520.104-23).

The Option Plan is maintained primarily for the purpose of providing benefits to a select group of management or highly compensated employees. These benefits are paid for from the general assets of FirstFed Bancorp, Inc. As of August 5, 1998, nine directors were eligible to defer compensation under the Option Plan. Relevant documents will be provided to you upon your request, as required by Section 104(a)(1) of ERISA. FirstFed Bancorp, Inc. is located at 1630 Fourth Avenue, North, Bessemer, Alabama 35020-5711, and has been assigned EIN 63-1048648.

If you have any questions, please do not hesitate to contact me.

63-1048648

Very truly yours,



J. Mark Poerio

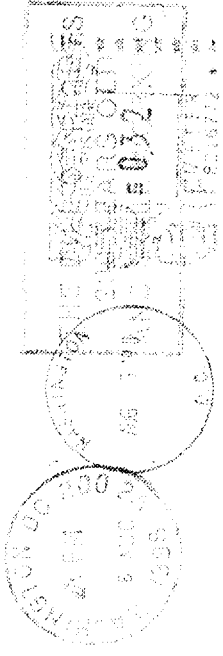
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JMP:sls:1691

cc: Mr. B. K. Goodwin, III, President  
FirstFed Bancorp, Inc.  
Gary R. Bronstein, Esquire  
France Staudenmann, Legal Assistant

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10/11/98 10:00 AM