

HAPPY THANKSGIVING

by [Steve Brown](#)

On behalf of everyone at the Banc Investment Group and Pacific Coast Bankers' Bank, we wish everyone a fun and safe Thanksgiving.

As our community banker friends leave the office today to meet up with family and friends, we offer a few suggestions on how to have a good time:

• Start by eating the pie first. Eating too much Turkey will only put you to sleep, making it difficult for you to stay awake long enough to eat the tasty pie brought by Aunt Marge.

• Leave the belt at home. Loosening the top buckle of the belt so one can make room for more food is an extra step you don't need. Wear big pants you can expand into as you eat and while someone else at the table reaches to unbuckle for more room, you can jump ahead of them in line and grab the last helping of stuffing.

• Walk all the way up and down the food line before committing. Sometimes the turkey can be dry, the rolls can be burned and the best stuff might be at the end of the line. People that serve Thanksgiving dinner aren't usually chefs at restaurants, so taking a gander at every food item gives you ample time to decide where to push Grandma out of the way and when to back off.

• Carry a good book or I-Pod with you when you travel. More than 27mm people fly home for Thanksgiving, so airports will be jammed. Remain calm and take any extra time provided to find "serenity now."

• Thanksgiving is also a day to be prepared. It has more than twice the number of home cooking fires of an average day, so set food timers, monitor proximity to the burners when cooking and know where to find the fire extinguisher. Choking is also common, so be careful not to eat too quickly, or talk, drink or laugh with a mouth full of food. Cuts, burns and too much drinking are also common, so be forewarned and be prepared.

• Carry a pad of paper (not if you are driving) and write down a list of funny comments you want to make at the dinner table. Everyone likes the funny sibling, so preparing amusing anecdotes and toasts ahead of time can make you the life of the party.

• Don't shove too much food down the garbage disposal. Many people don't know it but Thanksgiving is the busiest day of the year for plumbers. People should not force corn husks, grease, eggs, bones, potato skins, lettuce or too much volume down the disposal, because it will probably stop working.

• Other tips: Buy 1lb of turkey for each person; the USDA says turkey is thoroughly cooked when the internal temperature of a thigh reaches 180° F; before cutting the turkey, let it rest 20 minutes allow the juices to redistribute (this is a good time to make the gravy); carve the dark meat before the light meat because it will stay moist longer.

Enjoy the family, the pie, the turkey and especially the day off.

BANK NEWS

M&A

Vineyard National Bancorp (\$2.4B, CA) will acquire 1031 Exchange Advantage Inc for an undisclosed amount.

Bank Loan Performance

While the official data will not be out until next week, our aggregation of 3Q numbers for community banks show that 30+ day delinquencies are up an average of 18bp to around 0.90%. Different from the past, deterioration of credit quality is noted in all lending categories.

Housing Risk

Analysts indicate FHLMC may need to raise as much as \$6B in new capital and slash its dividend to remain in compliance with minimum capital levels set by regulators. FHLMC and FNMA have lost \$57B in market capital since December amid the worst housing crisis in 16Ys.

Falling Fed Funds

A PIMCO fund manager predicted that the Fed Funds rate may fall below 3% in order to keep the US economy from falling into recession. Merrill's economists predict 2% by next year.

R-Word

The latest survey of 50 blue chip economists finds the number forecasting a recession has doubled over the past 2 months (rising to 18% of the group). Those in the recession camp say an ongoing housing slump and extremely high oil prices will eventually derail consumer spending. About 67% of the group said the chance of recession was at least 25%.

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