

SUPER TUESDAY

by [Steve Brown](#)

Political endorsements are a colossal waste of time. Who is influenced by such things? To us, give us a candidate that reduces taxes, has their economic head screwed on straight and can manage the foreign policy scene. If you give us that, we don't much care who is endorsing them. Here are a couple of ideas from the campaign trail that banks can put into action:

To catch some of Obama's mojo, be different. By constantly staying on the "change" message, new voters have been attracted to him like lobbyists to a fundraiser. Most voters don't even know where Obama stands on many issues, but they are somehow convinced that change is good. Unfortunately, all candidates are about change. This is so much the case that, for a change, we are waiting for a candidate to come out against change. While anti-change may not happen, Obama markets optimism better than anyone. Other candidates talk about change but Obama is the only one that has a culture of change built into the organization. In business, Apple also does change well, as do Google and Commerce Bank. It is not just about marketing something different, but is about having a different culture.

While that recommendation was admittedly a little fuzzy, so are most of the candidates. However, if you want something specific to improve bank performance, try this from Obama - get LinkedIn. What Facebook is to teenagers, LinkedIn is to professionals - 14mm of them to be exact. When Obama needed insight into business issues, he sent word out on LinkedIn.com and received 200 responses in 3 hours. That is a new level of responsiveness, even for the online world. We hate getting those LinkedIn "Update your Profile" messages, but if you work the site, you can build an instant professional network to help market your bank. Rather than having "friends," LinkedIn members have "connections" to other users. Members can see how connections were made, whether they were direct or through other connections and they can gain information by reviewing your profile. The old way to generate loan interest was by making calls and seeing prospects. This is still a great way to do business and our rough survey shows such methods yield about 10 contacts a day for a super diligent loan officer. However, through LinkedIn, a good loan officer can get meaningful information out regarding movement in rates, interesting loan structures or economic thoughts to 500+ interested parties. They won't all do business with the bank, but Obama understands this new medium and uses it to aggressively spread his message.

Lastly, it is about the power of the word. Obama has displayed excellent word choice in his speeches. As much as we hate to listen, no other candidate seems to hold a candle to Obama's speaking ability. He mixes empathy with thoughtfulness and weaves in quality narrative. While other candidates are telling you what they will do, Obama is persuading you to come along for a ride. In 2008, many bank CEOs will stand or fall by their ability to frame a story and persuade customers, investors, analysts and employees to stay with them during this rough ride as we all work toward improved performance. If you are going to take one class or workshop this year, a refresher on public speaking may be just the ticket.

As for this Super Tuesday, our hope is that all the candidates end up in a delegate tie. We will miss not being able to say Mike Huckabee's name without laughing (it just sounds funny to us). We will miss the Billary show and we still haven't figured out if, at 110 years old, McCain is too old and cranky

to be President. For that matter, we need more time to see whether Mitt was really modeled after a Ken doll action figure - happy voting.

BANK NEWS

Clampdown

The FRB survey of senior lenders found that almost 61% of bankers tightened standards on CRE loans (the highest level reported in 18Ys) and nearly 20% said the new restrictions were significant.

Yikes

Credit rating company Fitch said it may cut ratings on collateralized debt obligations by as many as 5 levels as it reviews loss assumptions and ratings methodologies. Fitch is reviewing 600 CDOs that could be impacted.

Downgraded

Due to "sizable credit issues in its residential construction and home equity portfolios," Moody's downgraded First Horizon's (\$37B, TN) long-term unsecured rating to "Baa1" from "A3."

Foreign Banks

Did you know that over the past 10Ys, U.S. offices of foreign banks have doubled their assets to \$2.5T and increased their lending to businesses by 19%

Customer Information

Studies show 24% of your small business customers store their own customer's social security numbers. Bankers should remind them that isn't a good idea.

NV Charter

Plumas Bancorp (\$469mm, CA) said it will apply for permission to charter a new full-service commercial bank in NV. The bank currently has a CRE loan office in Reno and 13 full-service offices located throughout the state.

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