

## SEPTEMBER 11, 2001

by [Steve Brown](#)

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We will never forget.

"Time is passing. Yet, for the United States of America, there will be no forgetting September the 11th. We will remember every rescuer who died in honor. We will remember every family that lives in grief. We will remember the fire and ash, the last phone calls, the funerals of the children." - President George W. Bush.

# BANK NEWS

## **FNMA & FHLMC Preferreds**

Regulators emphasized that banks must write down their preferred stock to fair market value. Banks with exposure that may materially affect capital levels should contact their primary regulator and quickly come up with a capital restoration plan.

## **Refinancing Wave Coming?**

Mortgage brokers are licking their chops for the 1st time in a year, as the takeover of FNMA and FHLMC has helped push the rate on 30Y fixed rate mortgages down nearly 50bp, while the 15Y fixed rate mortgage has fallen about 30bp.

## **Underwriting**

At one of Wells Fargo's NY branches, 80% of loans examined by HUD failed to comply with underwriting standards. The report cited inaccurate income calculations, inadequate minimum cash investment and insufficient debt verification.

## **Big Bank Checking**

The latest data shows 80% of all consumer checking accounts in the country are now controlled by the top 20 banks.

## **Housing Recovery Timeline**

As a gauge for how long it may take for a recovery in the housing sector, note that home prices need to drop another 20% in most areas to get back in line with historical affordability levels (based on area income).

## **ID Theft**

Community banks seeking new customers might be interested to know that a new study by Forrester Research finds 45% of companies plan to buy disk encryption software to protect against ID theft. In many states, encrypted data on a stolen computer does not have to be reported.

## **2009 Salaries**

A study by Hewitt Associates projects base pay for most companies will rise 3.8% on average in 2009, the 7th year of flat growth.

## **Customer Profitability**

Studies find 70% of profitable customers still visit a branch at least once per week.

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