

LET FREEDOM RING - HAPPY 4TH OF JULY

by [Steve Brown](#)

The Declaration of Independence. It was signed 233 years ago and announced on the 4th of July back in 1776. Not only did this document formally mark the transition from a group of colonies under British rule to the start of an independent cohesive nation, but it put forth concepts that, up to that time, were largely only debated on a philosophical level. The Declaration contains perhaps the most perfect sentence ever put forth by mankind:

"We hold these truths to be self-evident - that all men are created equal, that they are endowed by their Creator with certain unalienable rights - that among these are life, liberty and the pursuit of happiness..."

Since the signing of the Declaration of Independence, Americans have made sacrifices, both here and abroad, on behalf of these freedoms in order to make sure these words mean something. While the Constitution of the United States remains the brains of this nation, it is the Declaration of Independence that is its heart.

If it has been awhile since you have read it, we invite you to click and take a few moments to renew the spirit of this great document - in our opinion, it is truly what the 4th of July is about.

<http://www.archives.gov/exhibits/charters/declaration.html> .

To all of our readers, as you celebrate the freedoms of the United States of America - have a great 4th of July.

Enjoy the fireworks, hot dogs, barbeque and spending time with friends and family.

BANK NEWS

7 More Closed

6 IL banks and 1 in TX failed yesterday, totaling 52 banks to be taken over year to date (more than 2X that of 2008). John Warner Bank (\$70mm, IL) was closed with State Bank of Lincoln (\$188, IL) assuming all deposits and purchasing \$63mm in assets. First State Bank of Winchester (\$36mm, IL) was taken over with The First National Bank of Beardstown (\$56mm, IL) acquiring all deposits and purchasing \$33mm in assets. Rock River Bank (\$77mm, IL) was placed in receivership with all deposits and \$73mm in assets to be purchased by The Harvard State Bank (\$171mm, IL). The Elizabeth State Bank (\$56mm, IL) was shut with Galena State Bank and Trust (\$228mm, IL) assuming all deposits and acquiring \$52mm in assets. The First National Bank of Danville (\$166mm, IL) was closed with First Financial Bank NA (\$2.21B, IN) acquiring all deposits for a 5.36% premium and an additional \$148mm in assets. Millennium State Bank of Texas (\$118mm, TX) was shut down with most assets and all deposits to be assumed by State Bank of Texas (\$588mm, TX). Number 52, Founders Bank (\$963mm, IL), was taken over by The PrivateBank and Trust Co (\$8.8B, IL) which paid a 1.4% to assume all deposits in addition to the purchase of \$888mm in assets. These 7 failures are estimated to cost the DIF \$314mm.

Capital Idea?

FRB of Chicago president and chief, Evans, proposed several new ideas in regards to capital management yesterday, including a requirement for banks to purchase capital insurance.

More Needed

The OCC is reporting that banks modified 55% more troubled loans in the 1Q, compared to the 4Q and 172% more than the same quarter last year. Meanwhile, the percentage of prime borrowers seriously delinquent on their mortgage rose 20% in the 1Q, compared with the 4Q and was up 164% compared with the same quarter last year.

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