

## HELP WANTED - INQUIRE WITHIN

by [Steve Brown](#)

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The problem with waking up at 4am, taking a sleepy shower, driving into work and chugging coffee in order to get your eyes open just enough to see and your mind engaged just enough to write this piece is that it doesn't always work out. Over the years, we have received many different emails from community bankers asking for clarification on one thing or another we have discussed in this publication, largely because we just weren't clear enough, or the thought thread seemed to run out. Sometimes that is on purpose, but most times it is probably because we just flat ran out of time or space to develop our idea further or the caffeine never kicked in enough to clear a foggy morning brain.

Believe it or not, over the years we have been writing the Banc Investment Daily (BID) we have received hundreds of emails where we were inadvertently cc'd on an email that came into us setting lunch plans for that day, discussing a possible loan or as someone forwarded the BID to someone else within their bank highlighting something we discussed that day. None of these are an issue and we have always alerted senders when this occurs so they are aware. In fact, given the BID reaches upwards of 40,000 bankers, regulators and industry specialists, you might even say it is just a natural production byproduct.

You may be wondering why we are going into so much detail this morning with an overview of how the BID works from our perspective and what sorts of emails we receive on a daily basis from our readers. Well, we wanted you to know that this is a two way street and we enjoy hearing from you as well. We have a small cadre of bankers that feed us their areas of interest from time to time and we do our best to work it into a future edition of the BID for all to see. We want to hear what is bothering you, what you would like us to write about, where your areas of concern are and how we can help you through this so we can try to do so. If, in the course of your day something strikes your interest or you just wish someone would do a better job of explaining something, send us an email and we'll try to work it in to a future edition.

We sincerely appreciate any feedback, because it keeps your interests, issues and problems at the forefront of our writing process. We want to solve your problems or expand education in the BID and while we do our best, as our long-time readers know, we too can get off track from time to time. After all, it is difficult to think of new things bankers want us to discuss after doing this for every single working day of the year for 15+ years, so your input is indeed welcome. Know that we will put our own spin on whatever you ask, so don't be afraid to try. Also know that we never rat out our informants, so if you have some insight you want to pass along that could help, but want to keep your identity on the QT, know we can work your thoughts in with perfect anonymity. Our intention is always to raise awareness, educate on key issues, provide assistance and otherwise help you along as you navigate the worst industry and economic crisis since the Great Depression.

We don't need anything fancy, so bullet points are fine, formulated questions are fine and even esoteric thoughts are fine (although these may take a bit longer for us to digest). If you have something you want us to discuss further, send in an email and we'll start the research wheels turning as we try to provide help all community bankers can use - well, at least those who read the BID.

# BANK NEWS

## **Closed (110)**

Palos Bank and Trust Company (\$493mm, IL) was closed with First Midwest Bank (\$7.4B, IL) purchasing deposits for a 1.0% premium and about 70% of the assets under loss share. For more details, look under Failed Banks at: <https://biganalytics.bancinvestment.com/>

## **TRUPS**

The 3 month window that is mandated by the Frank-Dodd Act opens today that would allow banks to repurchase their trust preferred securities at par per contract due to the legal change in capital status. Given that most of the market continues to trade at 60 cents on the dollar, TruPs will still fully count as Tier 1 capital until 2013 and few banks can withstand lower capital ratios, this one will be a tough call.

## **"Hindenburg Omen:"**

Lots of talk is taking place in the equity markets over how this technical trading situation ominously reappeared on Friday the 13th. The confluence of 5 technical trading indicators basically equates to a ratio of stocks hitting their highs, while others hit their lows, signaling a disconnect in value. The situation is said to have proceeded all major equity sell offs in the last 25Ys (but we have yet to verify).

## **No Transfer Fee**

Wanting to end the practice of developers charging a transfer fee each time a property changes hands, FHFA issued guidance that would restrict FNMA and FHLMC from investing in properties with transfer fee covenants.

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