

## THE HIGH ART OF REGIFTING

by [Steve Brown](#)

With just a couple of days to go until the holiday gifting season ends, we thought a quick reminder on the etiquette of regifting might be in order. While some may frown on the practice, we believe that if you are going to be thoughtless, then at least put some thought into it.

Regifting is a practice that occurs when a person transfers an unwanted gift to another. Believe it or not, a survey found that 25% of Americans practice regifting. Even more startling perhaps, nearly 36% of households with incomes ranging from \$100k to \$150k do so. Given the prevalence of this practice and the time of year, we thought a few tips might be in

order for some of those bankers who may end up regifting. The first and most obvious thing any self-respecting banker will do when preparing to regift is to thoroughly examine the gift for any signs it had been previously received. Any gift cards, written comments, and left over scraps of wrapping paper must be removed before a proper regifting can occur. Second, bankers must be careful to regift in a timely manner. Rumors abound of the banker who received a gift, forgot who gave it to them and ended up regifting it to a fellow employee, only to have them say "this looks exactly like the one I gave you." Rather than spend the 1Q cleaning such a large amount of egg from one's face, it is prudent to move swiftly in the regifting process to avoid such an experience. Third, while not truly a regift, bankers must never, ever give away the freebies stacked in their branches. Coffee cups, pens, pencils and paper with the bank logo on them will rarely achieve a happy response from the regiftee - even if that person is your paper boy. Fourth, and in the same vein, bankers should never attempt to regift vendor merchandise. No matter how nice that golf shirt is with the Jack Henry logo on it, the shirt should not be considered regift inventory. Just as there is honor among thieves, regifters must have some moral standards. Fifth, because you are a banker and economics is your business, regifted presents must go to the highest and best use. If that is making your neighbor happy - so be it. However, if you can create more utility by donating the item to charity and taking a tax write off (or selling it on e-Bay and recording it as income), then the choice should be clear. Finally, bankers must be careful to consider the recipient when regifting. It is probably best not to give one's mother-in-law a power drill, just because it was sitting

there and already wrapped. The look on the recipient's face after opening such a gift should

be monitored, as this is the first sign that the regifting process has gone awry. If normal gift emotion is displayed, then the regift was a success. This rule still applies even though you know the receiver is lying through their teeth. Just like regifting is almost like gifting, false emotion is almost as good as real emotion. Remember, when it comes to regifting, it is not the thought that counts, but the thought that goes into the lack of thought.

By following these few simple hints, hopefully we have made even the lack of thought, that much easier. To everyone on our distribution list, we wish you all a very Merry Christmas, a happy holiday and hope that you get everything you desire (even if it has been regifted).

## BANK NEWS

**M&A**

Berkshire Hills Bancorp (\$2.8B, MA) will purchase Legacy Bancorp (\$1B, MA) for \$108mm or 1.1x book value. Over this year, loan loss provisions at Legacy have tripled while charging off \$10mm in problem loans, up from \$436mm in 2009. This marks Berkshire's 2nd deal this quarter, following its acquisition of Rome Bancorp (\$332mm, NY) for \$74mm.

#### **BofA**

The Bank lost a motion to prevent MBIA from using statistical sampling to pursue repurchase demands in a suit claiming MBIA was fraudulently induced to insure \$21B in mortgage backed securities.

#### **IOLTA**

Since many of you inquired, the Senate did pass HR 6398. The bill is expected to be signed into law and allows FDIC protection on Interest on Lawyers Trust Accounts under Dodd-Frank (an account type that was previously excluded along with the NOW account).

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