

HAPPY NEW YEAR

by [Steve Brown](#)

The year of 2010 was interesting and many things happened. It wasn't as crazy as 2008 when the credit crisis began, nor 2009, when the regulatory crackdown followed. It was, however, certainly full of surprises, twists and turns. As we all turn

the page on the last day of our calendar, we take a quick look back at 2010 as we prepare to usher in 2011.

In banking and the financial markets, the crisis rounded the corner on its 2nd year and brought a flight to gold bullion; S&P downgraded Greece to junk; Europe was enveloped by a debt crisis that spilled into Ireland, Portugal and Spain; China overtook Japan as the World's 2nd biggest economy; companies hoarded record amounts of cash; unemployment remained above 9%; Dodd Frank was signed into law; Healthcare reform was signed into law; global banking reform happened; 157 banks failed (compared to 140 in 2009 and the most since 1992); the Flash Crash caused the largest intraday stock market drop in history; and the Fed announced \$600B in additional quantitative easing to prop up the economy.

In sports, major events included the San Francisco Giants and its team of misfits won the World Series; The New Orleans Saints defeated the Indianapolis Colts (to win their first Super Bowl in franchise history); Reggie Bush forfeited his 2005 Heisman Trophy; the Lakers won the NBA title; Alberto Contador won his 3rd Tour de France; Phil Mickelson won The Masters in golf; Dario Franchitti won the Indianapolis 500; and Spain won the World Cup in soccer.

In the invention arena, some of the coolest were the iPad; the Martin Jet Pack (flies for 30 minutes and can go to 8,000 ft.); a laser that zaps mosquitoes without harming other insects or humans (targets the mosquitoes' size and signature wing beat); an exoskeleton by eLegs that helps paraplegics walk (robotic prosthetic legs using artificial intelligence; and electric car charging stations (started to sprout up across the country).

In music, the top-selling artists across all genres, ranked by sales data (according to Billboard) were Susan Boyle, Eminem, Lady Antebellum, Lady Gaga, Justin Bieber, Andrea Bocelli and Taylor Swift in that order.

In history, major events included a devastating earthquake in Haiti that killed 230,000 people; the BP oil spill caused the largest environmental disaster in history; Wikileaks dumps thousands of pages of classified material on the internet; 33 miners are saved in Chile after being stuck a record 69 days below the earth; a Pablo Picasso painting was sold for \$106mm, setting a new world record; the Tea Party movement hosted their first convention; the Boy Scouts of America celebrated 100Ys; Don't Ask, Don't Tell was repealed and signed into law.

In pop culture, we bid a sad but fond farewell to famous people including: Actors: John Forsythe; Robert Culp; Fess Parker; Peter Graves; Lynn Redgrave; Gary Coleman; Dennis Hopper; Leslie Nielsen; Barbara Billingsley; Tom Bosley; Tony Curtis. Sports: John Wooden; Merlin Olsen; George Steinbrenner; Don Meredith. Singers/Entertainers: Teddy Pendergrass; Lena Horne; Art Linkletter; Eddie Fisher;

Others: J. D. Salinger (author), Alexander Haig (former Secretary of State); Jimmy Dean (sausages); Edwin Newman (journalist); Dino De Laurentis (producer); and Elizabeth Edwards (attorney).

On the big screen, the top films of 2010 (by worldwide gross dollars) in order were Toy Story 3; Alice in Wonderland; Harry Potter and the Deathly Hallows; Inception; Shrek Forever After; The Twilight Saga: Eclipse; Iron Man 2 and Despicable Me.

As we prepare for 2011, we have no idea what it will bring, but we know community bankers will continue to thrive. We thank you all for your readership and support in 2010 and wish you a happy, healthy and prosperous New Year.

BANK NEWS

Call Reports

Banks will file the 4Q Call by Jan 30, 2011 and the new reports include some changes. Regulators will now collect new data on noninterest-bearing deposits (number of accounts and amount above \$250k); reverse mortgages (memo item collected annually); and uninsured deposits.

Home Foreclosures

In the 3Q, new delinquencies rose by 382k or 31.2% to 1.2mm (a 10.1% increase from last year). Home loans less than 59 days past due jumped by 5.3% while those 60 days or more past due dropped by 6.4%.

CU Sentiment

An American Customer Satisfaction Index study finds customers may be more satisfied with CUs overall than banks, however, satisfaction levels with CUs dropped 5% YOY. The largest driver of discontent noted were CUs inability to expand services (mortgage and investment banking).

Credit Cards

Certain retailers are urging the Fed to drop a proposed rule that would require issuers to consider only a borrower's independent income rather than total household income. The rule is intended to strengthen consumer protections, but retailers say it unfairly restricts the ability of stay at home moms to get credit.

2011 Economy

JPMorgan is predicting 2011 will bring economic growth close to 4% in the first half, but does not expect the Fed to raise rates until 2013 and reiterates that growth will not bring immediate recovery (unemployment expected to be 9% at year-end).

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