

## Google Glass - Creepy, Cool or Both

by [Steve Brown](#)

We've all seen pictures of the prototypes of Google Glass, the computer you wear like a pair of glasses with a viewing screen in the upper right of your field of vision. The Terminator movies immediately come to mind, that view from inside Arnold Schwarzenegger's head with diagrams and numerical values calculating the likelihood of various scenarios. Google Glass won't quite be doing that--but the idea is that this small computer, with a screen that will not obstruct your vision, can help busy people navigate their way through voice commands and taps without the bother of using their smart phones. Although the screen won't obstruct your vision, we are unsure if it will hinder the ability to focus on the information in front of you. Already people are glued to their smartphones and whether they are driving and texting or walking and texting, most folks seem one step away from running into a wall.

Other uses for Google Glass include: flight departure information (please increase your running speed by 34% or miss your next flight...), taking photographs or recording videos. This last part is where Google Glass gets a little creepy when you consider the videotaping of casual conversations and photographs being taken when people are unaware. Capable cameras are already everywhere, in phones, tablets etc. It costs roughly \$10 to add a camera to a phone, so almost every manufacturer does it. One could argue that social media sites like Facebook and Twitter would never have taken off as they have if everyone wasn't carrying a camera. The idea that the glasses of someone nearby are recording or photographing raises a question of invasion of privacy and lawsuits are sure to follow.

Video recordings could also protect professionals who take on legal liabilities like repairmen, couriers or anyone doing business based on word of mouth agreement. Many organizations already record telephone calls, especially for transactional business and police in many places record traffic stops on videotape. Most bank customer service reps have certain customer interactions that they wish they had recorded. It's probably not the best way to break up with a partner, but has its uses in business.

There is already a banking app designed for Google Glass and this is for the Spanish bank Banco Sabadell, headquartered near Barcelona. We went to the bank's site for further information, but the search engine took us to business insurance plans that cover broken glass--so it appears more work needs to be done updating their information about Google Glass. Meanwhile, a company called Droiders developed a full-featured app in a pilot program and more are in the works including a mobile deposit app. The current app shows the nearest ATM, current account balances and supports 24/7 video conferencing. The head of innovation at Banco Sabadell expects Google Glass is representative of the next evolution of the internet. Users will expect to interact with firms through different devices and as intuitively as possible. A bank in the Ukraine is testing a Google Glass app as well, and it will take a picture of a bill and pay it using a voice command (which is pretty nifty if you ask us). The companies that offer leading edge technology will be in demand by like-minded customers.

Future releases of Google Glass will reportedly feature iris-secure identification. Link this with an ATM machine that no longer requires a PIN and life gets very convenient. It may seem a bit like science fiction, but the public release of Google Glass in 2014 is coming up quickly, and we will be watching

adoption and usage with interest as we monitor how it is being used by banks and bank customers into the future.

## **BANK NEWS**

### **M&A**

SunTrust Bank (\$168B, GA) announced it will sell its asset management subsidiary, RidgeWorth Capital Management to RidgeWorth employees and an investor group for up to \$245mm. RidgeWorth provides support to boutique money managers in areas that include trading, compliance, technology, accounting, distribution and marketing.

### **Branch to ATM**

TCF National Bank (\$18.4B, SD) will close 37 bank branches in Jewel-Osco stores in Chicago to address customer migration away from traditional retail banking to mobile, ATMs and online. TCF also announced it would be adding 52 ATMs to Chicago Transit Authority train stations around the city.

### **Settlement**

Bank (\$357B, OH) agreed to pay \$53mm to FHLMC to settle loans it sold between 2000 and 2008.

### **Rate Cut**

Fed SF President John Williams said it would "make sense" for the Fed to cut the excess balance account rate from 0.25% to something lower it could help stimulate the economy. We worry significantly about the potential unintended negative impact to community banks already struggling with low NIM should this ever come to pass.

### **Loan Growth**

Online loan platform Lending Club, which brings together borrowers and investors, announced it had originated more than \$3B in loans (just 6 months after announcing it hit the \$2B mark).

### **Higher Fees**

HUD announced new loan limits effective Jan 1, 2014 for single family homes would be limited to \$625,500 in the highest cost areas (down from \$729,750) and the standard limit would remain \$271,050. Meanwhile, the FHFA is raising guarantee fees charged by FNMA and FHLMC by 14bp for 30Y mortgages and 4bp for 15Y mortgages. The agencies said all of these actions were designed to encourage the return of private capital to the mortgage market.

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