

---

## A Foolish Situation

by [Steve Brown](#)

---

The first quarter is officially behind community bankers now and things are certainly looking better. Loan growth is coming back, bankers report regulations are at least more manageable than they have been and, dare we say, fun is slowly creeping back into the business.

Those are all great things to have going on, though following the crisis bankers are now a wary bunch. That is why so many still worry things could once again turn cold, just as the sun has begun to warm the industry. To keep bankers from frostbite, we have been closely monitoring things and have some interesting happenings to pass along to our readers.

At a recent convention, we overheard a high-ranking regulator talking to a small group of bankers. Being the curious type that we are, we headed for the gathering. As we neared, we heard this official tell the bankers to expect another series of crackdowns, this time in the area of "best practices." A collective groan emanated from many bankers in the group, a normal response to such bad news. When asked why another series of crackdowns was in the offing, the official just said "it was coming from DC" so there was no choice. He also mentioned that regulators had been receiving additional training to "deal" with bankers and issues that might surface.

As we pondered this discussion on a flight to another banking event some days later, we wondered what was going on and why it appeared that a new wave of regulatory pressure was being dialed up. Wasn't the crisis over? Can't we look forward yet?

As we arrived at the next event, we again came across a group gathered around yet another senior-ranking regulatory official. This time, as we came closer to the group we heard the official warning bankers to "be prepared" and to "have their ducks in a row" or face increased scrutiny in certain areas of focus.

Again, the bankers in the group were flabbergasted and one even said in a pretty loud voice, "Just when the economy is turning and we can finally get back to business, it is clear no one in authority sees things that way." The official glanced at the banker and mumbled something that sounded like "shut down" if you ask us. To be sure, this exchange clearly left bankers in the group with a strong impression that it was better to just get on board rather than to try to fight this latest crackdown.

Later that day, we noticed yet another small group of bankers gathered off to one side of the room. They had cornered the regulator again and some seemed quite agitated. One was even waving his arms as he talked.

As we wandered over we heard a banker roar "crack-brained meddling by the authorities can aggravate an existing crisis." The official then replied, "That quote is from Karl Marx! What are you trying to say?" The banker then jumped up and yelled "Power to the people," as he swung and tried to punch the regulator right in the jaw. The regulator however, was too fast. He quickly shifted out of the way, like a ninja dodging a throwing star as he jumped into a defensive position. The banker, in awe of what he had just seen quickly backed off.

As the fifteen bankers or so sat back down, one got up the nerve to ask the regulator who he was and where he learned to move like that. The regulator explained that during the crisis he had been chased by many an angry banker and it had become necessary to learn martial arts just to survive.

How did this story end and who was that regulator? Well, the good news for everyone involved is that this is nothing more than an April Fool's Day story! No bankers (or regulators) were harmed in the making of this story in any way, all characters appearing in this work are fictitious and any resemblance to real persons, living or dead is purely coincidental.

So enjoy the day, don't fight with any regulators and don't worry about the "best practices" crackdown because we made this all up - Enjoy April Fool's Day.

## **BANK NEWS**

### **Merger**

First Federal Bank of Wisconsin (\$120mm, WI) will merge with Bay View Federal Savings and Loan Association (\$135mm, WI), as both entities seek to expand and reduce costs. Terms were not disclosed.

### **Branch Sale**

Gateway Bank FSB (\$212mm, CA) will sell a branch to Cathay Bank (\$11.0B, CA) for an undisclosed sum.

### **Mobile**

Commerce Bank (\$22.9B, KS) has launched a new service for business customers where specialists drive out to see business owners and assist them with their banking needs.

### **Mobile Growth**

A new Fed study finds 33% of cell phone users said they have used mobile banking services in the prior 12 months vs. 28% at the end of 2012, an 18% jump. Meanwhile, more than 50% of smartphone users said they had used mobile banking. Finally, the report found 38% of mobile banking customers had used their phone's camera to deposit a check.

### **Competition**

The insurance subsidiary of BB&T will acquire Woodbury & Co (NC) for an undisclosed sum. Woodbury provides commercial property and casualty, employee benefits, individual life and health, personal lines and professional liability protection to businesses and individuals throughout the Carolinas and has 50 employees.

### **Competition**

Community bankers should note U.S. Bank is piloting a program where it would put electronic payment ATM-type kiosks into the lobbies of its business customers and prospects. The bank hopes to capture more customers and boost bill pay adoption rates.

*Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.*