

Giving Thanks

by [Steve Brown](#)

Today is the Wednesday before Thanksgiving and we thought we would spend today's issue of the Banc Investment Daily (BID) giving thanks to you, our customers and readers. In addition, we thought we would spend time talking about PCBB and exactly what we do, since we do get asked that sometimes.

To begin, the BID is read by some 40K community bankers and regulators all across the country. We do our best each day to write about a broad set of topics that concern smaller financial institutions with only one intention - helping community banks compete and thrive in today's business environment. That is why we often write about how to more efficiently develop business, how to deal with regulatory issues, how to more effectively compete and a myriad of other subjects.

Contacting that many readers each day also means some will write back each day to ask questions, give comments, clarify something, give us ideas and even occasionally pass along a bad joke or two. It absolutely makes our day when you write to us, so thanks for that.

We also don't just send the BID to everyone. We exclude anyone who works for mega banks like Wells or B of A, as they are competition to our readers. Instead, we focus all of our attention on readers like you who are bankers, bank regulators, bank board members and others associated directly with the management of community banks.

For our part, it is indeed a lot of work to create this on a daily basis and yet we don't charge for a subscription. PCBB is in business though, and we want to remind our readers that we have to make a living, so we hope you will consider us when you look around for services.

Also of great importance and unlike many who serve the banking industry, is the fact that PCBB never competes with your bank for its customers. We are only in the business of serving financial institutions and we do not offer services to individuals or business customers directly in any market. It is also important to know that PCBB is owned almost entirely by community banks, so our shareholders are banks just like yours.

As for our consulting products and services, we have a number of offerings that help banks address all sorts of key issues. These include: managing risk and regulatory issues (with outsourced asset liability management, loan loss reserve quantification and stress testing); relationship profitability (including risk adjusted loan pricing) and deposit management (with a dedicated coach to help your bank drive its funding costs down).

If it is loans you are seeking, PCBB offers floating rate C&I loans that you can immediately purchase, along with other participations (available from time to time). On the C&I loans, PCBB assists banks by providing an underwriting "jumpstart" package and ongoing updates to minimize your workload and streamline analysis.

If you are concerned about interest rate risk, we have a hedging program that we invented designed specifically for community banks. It is called Banker's Loan Processing ("BLP") and it eliminates hedging accounting requirements for your bank and ISDA requirements. We still have to do all of that,

but through the program, community banks can offer customers' long term fixed rate loans, while holding a floating rate instrument on your balance sheet.

If it is fees you are seeking, consider offering International Services like foreign currency transfers. PCBB can help you offer these services to your customers to capture fees and expand relationships. This is important in protecting your customer relationships.

Finally, PCBB offers traditional correspondent banking services. These run the gamut from cash management to Fed funds lines and other services all designed for community banks.

We are here to help you. Whether with the services just mentioned or with hands-on training and educational support at small-group tactical workshops around the country, we're here support you and help your business grow.

As we wrap things up, we also invite you to our annual Executive Management Conference in San Francisco Apr 26 to 29, 2015. Our speakers are some of the best you will see all year, discussing what matters to you, so we encourage you to attend.

Hopefully as you read this issue, you realize our support for community financial institutions isn't a side business - it is our only business. We thank you for your business and your readership and please let us know if we can provide your bank with more information on any of our product offerings.

BANK NEWS

Low Down

The FHA allows a 3.5% minimum down payment for loans currently and FNMA and FHLMC will reportedly allow 3% to 5% down payment programs by the end of this year.

Fined

PNC has agreed to pay \$2mm in civil money penalties related to its billing practices around identity protection products. Vendors reportedly billed customers a full fee even though many did not get all the benefits of the products. Last month US Bank agreed to pay \$4mm for a similar issue.

Regulatory

Fortune reports the Fed is launching a major review about how it supervises large banks to address criticisms raised by some that it is too close to the banks it supervises. The review is expected to take several months and will be conducted by the Inspector General.

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