



PENNSYLVANIA ASSOCIATION OF COMMUNITY BANKERS

THE VOICE FOR COMMUNITY BANKING IN PENNSYLVANIA SINCE 1876

October 18, 2010

PACB's Weekly Register: Counting the Ways We Work for YOU!

- **Last Week:** PACB is polishing up the details on a new network for bankers to exchange information, policies, and more. Watch for more information coming soon!!
- **Coming Up:** PACB Marketing Conference: October 21-22 @ the Hilton Garden Inn in Hershey - Please contact Sue Murray at Sue@pacb.org for more information.
- **Coming Up:** PACB Technology Conference: November 4 @ the Radisson in Camp Hill - Please contact Sue Murray at Sue@pacb.org for more information.

Local Headlines

Monday Morning Coffee: Who's Surging Again?

http://blogs.mcall.com/capitol_ideas/

~ John Micek, Allentown Morning Call

State Senate passes bill to extend deadline for fire sprinkler requirement

http://www.pennlive.com/midstate/index.ssf/2010/10/state_senate_passes_bill_to_ex.html

~ Elizabeth Gibson, Harrisburg Patriot-News

Foreclosure figures headed for record

<http://articles.lancasteronline.com/local/4/301799>

~ Gil Smart, LancasterOnline.com

Pressure on for Pa. midterm

http://www.philly.com/inquirer/local/20101017_Pressure_on_for_Pa_midterm.html?viewAll=y

~ Angela Coulombis, Philadelphia Inquirer

Is Wagner cutting Onorato?

http://www.pittsburghlive.com/x/pittsburghtrib/opinion/s_704586.html

~ Brad Bumsted, Pittsburgh Tribune-Review

John Baer: If you missed Onorato-Corbett debate, you didn't miss much

http://www.philly.com/dailynews/columnists/john_baer/20101018_John_Baer_If_you_missed_Onorato-

[Corbett debate you didn't miss much.html](#)

~ John Baer, Philadelphia Daily News

National Headlines

Dollar's Swoon Opens Doors

<http://online.wsj.com/article/SB10001424052748704049904575554593626930172.html>

~ James Hagerty, The Wall Street Journal

The Changing Landscape of Community Banking

<http://www.stlouisfed.org/publications/cb/articles/?id=1997>

~ Gary Corner, The Federal Reserve Bank of St. Louis

BofA to Hire 1,000 Small-Business Bankers

http://online.wsj.com/article/SB10001424052748704361504575552161358456520.html?mod=WSJ_hpp_section_smallbusiness

~ Dan Fitzpatrick, The Wall Street Journal

Fed Wants to Hoodwink Public, Only Fools Itself

<http://www.bloomberg.com/news/2010-10-15/fed-wants-to-hoodwink-public-fools-itself-commentary-by-caroline-baum.html>

~ Caroline Baum, Bloomberg.com

Charles Evans, Fed President: Why The Economy Is In A 'Trap'

http://www.huffingtonpost.com/2010/10/18/charles-evans-fed_n_766184.html

~ William Alden, HuffingtonPost.com

Banks Face Mortgage Scrutiny as \$49 Billion in Value Vanishes

<http://www.bloomberg.com/news/2010-10-18/u-s-bank-earnings-face-mortgage-scrutiny-as-49-billion-in-value-vanishes.html>

~ Dakin Campbell, Bloomberg.com

Rasmussen Predicts GOP Gain of 55 in House

<http://www.humanevents.com/article.php?id=39460>

~ John Gizzi, HumanEvents.com

The Election Oracle: Using Technology to Predict the Nov 2 Outcomes...

<http://www.thedailybeast.com/election-oracle/?cid=hp:mainpromo2>

~ The Daily Beast

Dogs can be optimistic or pessimistic?

http://news.yahoo.com/s/nm/20101012/od_nm/us_dogs;_ylt%3DAukddFUGcYmPWgQyziLhfpvtiBIF;_ylu%3DX3oDMTI4bm4wc2pjBGFzc2V0A25tLzIwMTAxMDEyL3VzX2RvZ3MEY3BvcwMxBHBvcwMxBHNIYwN5bl90b3Bfc3RvcnkEc2xrA2RvZ3NjYW5iZW9wdA--

~ PACB Bankers' Blog Editor's Pick, also owner of a pessimistic but lovable black lab

[FROM WWW.ICBA.ORG:](http://WWW.ICBA.ORG)

Bernanke Weighs Additional Monetary Stimulus Options

Federal Reserve Chairman Ben Bernanke laid out possibilities for further monetary stimulus by the central bank but warned that the options have potential costs. Noting that monetary policymaking in an era of low inflation is not “entirely straightforward,” Bernanke said the Federal Reserve could expand its holdings of longer-term securities to bring down interest rates and support recovery. He warned, however, that the central bank has much less experience in judging the economic effects of this policy relative to conventional monetary policy.

Bernanke also said the Federal Open Market Committee could change the language of its policy statements to indicate that the panel expects to keep the target for the federal funds rate low for longer than markets expect. He said that a potential drawback is that it may be difficult to convey the committee’s policy intentions with sufficient precision.

ICBA Offers Mixed Review of Transaction-Account Plan

ICBA voiced support for provisions in an FDIC proposed rule on notifying customers of changes to deposit insurance of non-interest-bearing transaction accounts, but expressed concerns with the impact of individual notices on smaller institutions. In a comment letter, ICBA said it supports a requirement that banks post a notice in their lobbies and on their websites informing customers of the types of accounts covered and not covered by the extension, which runs through Dec. 31, 2012. Beginning Jan. 1, 2011, low-interest consumer checking accounts and Interest on Lawyer Trust Accounts will no longer be eligible.

The proposed rule also would require banks to individually notify customers of any action they take that affects the coverage of funds held in non-interest-bearing transaction accounts. Noting that the proposal does not impose specific requirements on the form of the notice, ICBA said such flexibility in providing notices will enable banks to balance the disclosure requirements with compliance resources.

Finally, ICBA voiced concerns with the potential impact individual notices for NOW and IOLTA account holders would have on smaller banks. ICBA cautioned that customers might be encouraged to move their deposits to interest-bearing transaction accounts at too-big-to-fail institutions, pricing smaller banks out of this market.

Wall Street Reform Act Interchange Provision Faces Lawsuit

A Minnesota bank announced it is suing the Federal Reserve Board over an ICBA-opposed provision in the Wall Street Reform Act that requires the Fed to establish what it deems are reasonable interchange fees on debit transactions. The lawsuit by TCF Bank charges that the interchange provision unconstitutionally gives a competitive advantage to banks with less than \$10 billion in assets, which are exempt from the provision. It also challenges the constitutionality of a provision instructing the Fed to consider only certain costs of authorizing, clearing and settling of transactions.

Sen. Richard Durbin (D-Ill.), who authored the amendment, said the law does not address the fees banks can charge and does not set interchange rates. ICBA strongly opposed the interchange amendment and repeatedly told Congress that the exemption for community banks with less than \$10 billion in assets will not work.

****With the exception of official announcements, the Pennsylvania Association of Community Bankers, the FHLBank Pittsburgh, and the Independent Community Bankers of America disclaim responsibility for opinions expressed and statements made in articles linked to in Harrisburg's Hometown Banking Blog. This communication is intended and designed to provide timely, relevant information related to banking, politics,**

and general interest. This communication is NOT intended to provide legal, accounting, or other professional advice; nor does it intend to provide endorsements of people or products by PACB staff.**
