



PENNSYLVANIA ASSOCIATION OF COMMUNITY BANKERS

THE VOICE FOR COMMUNITY BANKING IN PENNSYLVANIA SINCE 1876

September 7, 2010

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

- **Last Week:** Over 400 community bankers, community banking partners, and their friends and families attended PACB's 133rd Annual Convention at The Breakers in Palm Beach, FL. The event was a great success, and thank you to out-going Chairman Bill Ritenour and Convention Co-Chair Ted Peters for their hard work on putting together such a great convention. Please check the PACB Website later in the week for links to pictures from the Convention. *See you next year at the Hyatt Regency Lake Tahoe in Incline Villave, NV!*
- **Coming Up:** PACB Compliance Seminars: September 24 @ the Hilton Garden Inn in Hershey and September 30 @ the Sheraton Inn in Mars - Please contact Sue Murray at Sue@pacb.org for more information.

Local Headlines

Kanjorski touts Wall Street reform bill

<http://citizensvoice.com/news/kanjorski-touts-wall-street-reform-bill-1.970072>

~ Denise Allabaugh, The Citizens Voice

Public schools are sitting on \$2.75 billion

<http://www.pennlive.com/news/patriotnews/index.ssf?/base/news/1283657114293680.xml&coll=1>

~ Jan Murphy, The Patriot-News

And they're off: Holiday starts election season

<http://www.post-gazette.com/pg/10250/1085560-178.stm>

~ James O'Toole, Pittsburgh Post-Gazette

The Rendell albatross

http://www.pittsburghlive.com/x/pittsburghtrib/opinion/columnists/bumsted/s_698058.html

~ Brad Bumsted, Pittsburgh Tribune-Review

John Baer: Toomey's window has a view of DC

http://www.philly.com/dailynews/columnists/john_baer/20100825_John_Baer_.html

~ John Baer, Philadelphia Daily News

Proposal to hand Pennsylvania government reins to counties stalls

http://www.pittsburghlive.com/x/pittsburghtrib/news/regional/s_698249.html

~ Brad Bumsted, Pittsburgh Tribune-Review

National Headlines

The Treasury's New Research Office

http://www.businessweek.com/magazine/content/10_37/b4194026970590.htm

~ Robert Schmidt, BusinessWeek.com

'Working Girl' Big Idea Needed for 1990s Redux

<http://www.bloomberg.com/news/2010-09-02/-working-girl-big-idea-needed-for-1990s-redux-caroline-baum.html>

~ Caroline Baum, Bloomberg.com

Obama to Push Tax Break

<http://online.wsj.com/article/SB10001424052748704392104575475920686869934.html>

~ Jonathan Weisman and John McKinnon, The Wall Street Journal

More than 400 US Banks Will Fail: Roubini

<http://www.cnbc.com/id/38986777>

~ Patrick Allen, CNBC.com

Harvard to Lehman to New York's Subway: A Woman's Guide to Balancing Banks

<http://www.bloomberg.com/news/2010-09-06/harvard-to-lehman-to-new-york-s-subway-a-woman-s-guide-to-balancing-banks.html>

~ Shelley Smith, Bloomberg.com

No recession here: Election spending sets records

http://news.yahoo.com/s/ap/20100907/ap_on_el_ge/us_money_and_politics

~ Jim Kuhnhenn, The Associated Press

G.O.P. Poised to Control 30 Governor Seats

<http://fivethirtyeight.blogs.nytimes.com/2010/09/03/g-o-p-poised-to-control-30-governors-seats/?hp>

~ Nate Silver, The New York Times

Great Political Ad Watch

<http://www.newsweek.com/blogs/the-gaggle/2010/08/23/great-political-ad-watch-john-hickenlooper-edition.html>

~ David Graham, Newsweek.com

The Fall TV 'Stars': Lobbyists, Big Oil And Bad Banks

<http://www.npr.org/templates/story/story.php?storyId=129631395>

~ Bill Adair, NPR.org

Wanted: Obama-Boehner Midterm Debates

<http://www.newsweek.com/2010/09/05/wanted-obama-boehner-midterm-debates.html>

~ Jonathan Alter, Newsweek.com

The Speech Accent Archive

<http://accent.gmu.edu/about.php>

~ PACB Bankers' Blog Editor's Pick

FROM WWW.ICBA.ORG:

ICBA Urges FASB To Withdraw Fair-Value Proposal

ICBA urged the Financial Accounting Standards Board to withdraw its exposure draft on accounting for financial instruments and not to go forward with the proposed fair-value accounting changes. In a comment letter, ICBA said the accounting standards contained in the proposal would misrepresent the operations of community banks and other financial institutions whose primary business practice is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis.

ICBA's comment letter notes that community banks fund their operations by taking deposits and holding loans for the long term and that most community bank financial instruments are not readily marketable. It says that the proposed accounting treatment would require community banks to reconsider making longer-term loans and deposits. The letter also notes that the changes are more likely to mislead investors and financial statement users than provide them a clear picture of financial condition. ICBA said it continues to receive comments from community banks and will share additional comments with FASB by the Sept. 30 comment deadline.

Bernanke, Bair: Government Lacked Tools to Respond to Crisis

Federal Reserve Chairman Ben Bernanke and FDIC Chairman Sheila Bair testified before the Financial Crisis Inquiry Commission on the causes and effects of the financial crisis and how Wall Street reform can prevent future imbalances. Bernanke said too-big-to-fail financial institutions were a cause of the crisis and among the primary impediments to policymakers' efforts to contain it. He also said that while losses on subprime mortgage loans helped trigger the crisis, the financial system's vulnerabilities and gaps in the government's response toolkit exacerbated its impact.

Bair said that capital was badly misallocated in the run-up to the crisis and that the Wall Street Reform Act includes provisions to prevent future collapses, including the FDIC's authority to resolve systemically dangerous nonbank financial firms. She said if the authority to resolve these firms had been in place before the crisis, the agency could have avoided dilemmas it faced in resolving large bank failure in late 2008. At an FDIC roundtable this week, former ICBA chairman Rusty Cloutier voiced the community banking industry's support for the resolution authority.

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