

NYBA

1st Look

A PUBLICATION FOR SERVICE MEMBERS OF THE NEW YORK BANKERS ASSOCIATION

January 13, 2011 Vol. 7, No. 1

MAJOR MEETINGS

NYBA MEETINGS OFFER GREAT OPPORTUNITIES FOR SERVICE MEMBERS

8th Annual Technology, Compliance & Risk Management Forum

May 23-25, 2011 -- DoubleTree Hotel - Tarrytown, New York

NYBA's Annual **Technology, Compliance & Risk Management Forum** offers, IT, risk, information security, compliance, operations, audit and fraud management professionals the latest on industry trends, best practices, regulatory developments and state-of-the-art technology. The Forum is designed to be cost-effective and time-efficient, offer face-to-face buyer contact during meals, receptions and breaks and provide networking opportunities with more than 80 decision makers from over 40 financial institutions. And, to enhance networking and business opportunities even more, the Pennsylvania Bankers Association plans to distribute the program announcement to their membership, potentially increasing the size of this year's Forum.

Sponsorships Available! Raise your firm's profile by sponsoring an event at the 2011 Technology, Compliance & Risk Management Forum. [For more information, click here: http://www.nyba.com/education/2011-TCRM-Forum.html](http://www.nyba.com/education/2011-TCRM-Forum.html) -- or, contact [Elisa R. Legg](#) (212-297-1679) or [Mary K. Robb](#) (212-297-1662).

And, mark your calendars and save the dates for these additional program opportunities scheduled for 2011.

Senior Management Conference

June 8-10, 2011 - The Otesaga, Cooperstown, NY

65th Annual Trust and Investment Conference

September 21-23, 2011 - The Otesaga, Cooperstown, NY

61st Annual Retail and Small Business Banking Conference

October 17-19, 2011 - Doubletree Tarrytown, Tarrytown, NY

Financial Services Forum

November 9-11, 2011 - The Waldorf=Astoria, New York, NY

For further information on the programs, sponsorship opportunities or registration, contact Elisa Legg (elegg@nyba.com) or Mary K. Robb (mrobb@nyba.com)

Remember to visit www.nyba.com and click on major meetings & conferences on all upcoming NYBA major meetings, including dates, location, sponsorships & pricing!

PROFIT SOLUTIONS

CSSI HELPS LEVERAGE TAX FLOW TO KEEP CAPITAL WORKING FOR YOU

NYBA's New York Bankers Service Corporation (NYBSCO) has endorsed Cost Segregation Services, Incorporated (CSSI) for Engineered Cost Segregation that helps owners of commercial property leverage tax cash-flow, keeping your working capital "working" for you! As an independent, qualified, fully compliant engineering firm that solely concentrates on engineered cost segregation studies CSSI is able to work with you and your accounting firm in applying their methodology and economic results. CSSI will provide a no cost analysis that will prove the economic feasibility of an engineered cost segregation study. **Engineered Cost segregation is an IRS approved method that enables commercial property owners to re-classify approximately 30% - 40% of their buildings from real property to personal property.** Real property is typically depreciated over a 39 year schedule; whereas personal property can be depreciated in 5, 7 or 15 years, thus generating tremendous cash flow. Please contact Joe DeSanzo at 908.684.3244 or jdesanzo@cssi-associate.com to discuss CSSI's no cost no obligation analysis of your branch network.

NYBA's 401(k) PROGRAM - AN ATTRACTIVE OPTION FOR SERVICE MEMBERS

NYBSCO and Milliman, Inc., a leading provider of retirement plan services, have teamed up to offer an attractive, affordable and reliable 401k program for NYBA Member Banks and Service Members. **The plan includes access to a state-of-the-art, web-enabled system and best-in-class investment options.** Each participating organization can choose its own plan provisions and investment options that include mutual funds, institutional share class funds, company stock and model portfolios. Participants can select from a menu of investment options developed by Milliman investment consultants, who continually monitor and analyze investments. For more information on this exciting program, please contact Paul Bonsee of Milliman at (973) 569-5541, or email him at: Paul.Bonsee@milliman.com .

BUSINESS AS USUAL WHEN THE UNUSUAL STRIKES

NYBSCO recently announced its endorsement of Continuity Centers and their disaster recovery solutions. NYBSCO has made special arrangements for NYBA Members, and believes that Continuity Centers' unique services will make recovery testing easier, help firms become more resilient, and save money in the process! Continuity Centers has more than 10 years' experience specializing in disaster recovery, and they look forward to putting that expertise to work for NYBA members. To learn about special Members-only offers, including money-saving discounts, and to

register for one of the upcoming webinars, please visit www.ContinuityCenters.com/NYBA . For more information, please contact Amy Whissen at 516.704.0017, Amy@ContinuityCenters.com.

E-MAIL ENCRYPTION IS CRITICAL

NYBSCO-endorsed ZixCorp addresses email security with a comprehensive suite of services that include an email assessment program, a manual desktop encryption function for individual users and a corporate-wide solution for automatic content scanning and encryption. **The enterprise-wide ZixVPM (Virtual Private Messenger) monitors all company outbound email and automatically determines whether information should be encrypted based on policies set by the organization and a built-in, pre-configured lexicon.** The lexicon detects and encrypts email that contains nonpublic information, including Social Security numbers, credit card numbers, personal financial details and other confidential information. NYBSCO has negotiated special terms for NYBA Members and Service Members. To learn how ZixCorp can help secure your organization's confidential email, contact ZixCorp's Steve Irons at (781) 993-6023; email sirons@zixcorp.com - be sure to identify yourself as a NYBA Service Member to qualify for your discount.

XEROX OFFICE EQUIPMENT PROGRAM

Negotiate Your Best Deal – Then Take Off Even More

NYBSCO's office equipment program provides NYBA members with additional discounts on purchased Xerox equipment. If you buy Xerox equipment, negotiate your best deal with the merchant, then receive a discount above and beyond what the dealer provides. The discount applies to equipment, supplies, training and systems management. **Call (800) 275-9376, ext. 2265, and reference contract number 0706438 to qualify for the NYBA discount.** For further information on this NYBSCO product, please contact NYBA's Field Marketing Manager Gus Kananis at (518) 434-3556: e-mail gkananis@nyba.com .

NYBA'S WORKERS COMP GROUP INVITES SERVICE MEMBERS TO COMPARE COVERAGE

Arthur J. Gallagher Risk Management Services, administrators of the NYBA Workers Compensation Safety Group, now has an additional Safety Group Available to NYBA Service Members! In addition to attractive cost benefits, the Safety Group makes it much easier for the HR professionals at participating clients to keep track of claims and the status of injured employees. The NYBA plans provide all participants with state-of-the-art on-line claims tracking and monthly reports. **The Workers Compensation coverage available to NYBA Service Members offers significant up-front discounts off state mandated rates and the potential for dividends, depending on group experience.** For more information on this valuable program, and to receive a non-binding quote to compare your current coverage, please call Lynn Cagnetta of Arthur J. Gallagher Risk Management Services at (203) 642-0502 [e-mail lynn-cagnetta@ajg.com]. Be sure to identify yourself as a NYBA Service Member.

PROFESSIONAL DEVELOPMENT

ONLINE COURSES PROVIDE HIGH QUALITY EDUCATION WITH ONLINE CONVENIENCE

Help your employees build their banking knowledge

How well do your employees understand the business of banking? AIB courses, offered in both instructor-led and self-paced online formats, offer a cost-effective, time-efficient way to provide training for employees new to the banking industry. AIB Online courses provide in depth industry knowledge in such areas as Consumer Lending, Mortgage Lending, Analyzing Bank Performance, Analyzing Financial Statements, Principles of Banking, and more. NYBA webinars, telebriefings and the GSB Online Classroom help to keep a lid on travel costs. Use them to bring essential updates and nationally known instructors right to your office. Take advantage of these Webinars,

Telebriefings and GSB Online Seminars. [For information on all NYBA educational programs, visit nyba.com or contact Elisa Legg \(elegg@nyba.com , 212-297-1679\).](#) And remember: You can sign up for automatic updates on all of NYBA's educational programs via e-mail at: www.nyba.com/education.

GOVERNMENT RELATIONS

ALBANY

Governor Andrew M. Cuomo was sworn in as New York's 56th Governor on January 1. At his January 5th State of the State address, the Governor set forth an ambitious and radical agenda to reform and re-invent State government. Before a capacity crowd of over 2,000 political leaders, citizens and media, the Governor confirmed in PowerPoint detail the dysfunction and fiscal breakdown that has plagued the State for many years. With the legislative leaders sitting on the stage, the Governor did not lambast, as his predecessor did some four years ago, but offered an open hand to all parties, including the private sector, to join in what promises to be 'the biggest challenge.' One of his targets is the reorganization of state agencies, including combining the Departments of **Banking, Insurance and Consumer Protection**. He recommended the establishment of a **new Department of Financial Regulation**. He offered very little detail but was very critical of the role each agency played during the financial crisis. He cited the need for more coordination and collaboration. NYBA has long argued that the current regime, funded by the industry, has served the State well. In response, NYBA issued a [statement](#) outlining the Association's concerns and welcomed the debate and dialogue which will ensue over the coming months. The Legislature ultimately has to approve any changes to the current structure. Governor Cuomo emphasized the multiple crises facing the State as well as the opportunities they present. Repeating his no new taxes pledge, he promised to address the State's long-term fiscal mismatch through a process of reinventing the way the government operates, rather than through simply cutting or trimming the deficit. Through regional economic development councils, modernizing State government, capping local property taxes and State spending, redesigning Medicaid, the State's educational system, local governments and mandate relief and strong new ethics reform, including public financing of campaigns, the Governor proposed a radical transformation of how the State operates. The Executive Budget, due out in February, will provide details of these proposals.

The **new Legislature** has convened, with Republican Senator Dean Skelos (Nassau) elected President Pro Tem and Majority Leader and Democratic Senator John Sampson (Kings) elected Minority Leader. Four Democratic Senators broke with their party to form an "independent caucus," separate from the Senate Democratic Conference. The new independent caucus includes: Senator Jeff Klein (Bronx); Senator Diane Savino (Richmond); Senator David Valesky (Onondaga); and Senator David Carlucci (Rockland). The Senators did not support either Republican Leader Dean Skelos for Majority Leader or Democratic Leader John Sampson for Minority Leader. The caucus expressed dissatisfaction with the current Democratic leadership and identified as their legislative priorities, among other items, job creation, Upstate economic development, a property tax cap, independent legislative redistricting, ethics reform, MTA tax reform, and Medicaid reform.

NYS Sen. Joseph Griffo (R-Oneida) will serve as **Senate Banks Chairman**. Former Chairman Hugh Farley (R-Schenectady) will serve as vice chairman, and Sen. Malcolm Smith (D-Queens) will be the Ranking Democrat.

WASHINGTON

The **112th Congress** convened on Wednesday, maintaining Democratic control in the Senate and electing Rep. John Boehner (R-OH) Speaker of the House, confirming the change in leadership in that body. The New York Delegation includes six new Republican members: Representatives Michael Grimm (13th CD), Nan Hayworth (19th CD), Chris Gibson (20th CD), Richard Hanna (24th CD), Ann Marie Buerkle (25th CD and Tom Reed (29th CD).

Rep. Steve Israel (D-Suffolk) was named Chairman of the Democratic Congressional Campaign Committee for the 2011-2012 campaign cycle, one of the top leadership positions within the Democratic caucus in the House. He chose **Rep. Joe Crowley** (D-Queens) as one of his chief deputies.

President Obama selected JP Morgan Chase Midwest Region Vice Chairman **William M. Daley**, former Commerce Secretary under President Bill Clinton, as his new Chief of Staff.

NEWS & TRENDS

The Federal Reserve has released its latest Beige Book. The report said that every region of the country showed some economic improvement over the past quarter. In the New York region, most business sectors showed improved conditions and expressed optimism for the near-term. Hiring increased, as did retail sales.

The private sector added 297,000 jobs last month, the highest month-over-month surge in the past 10 years.

Though the House Financial Services Committee and Senate Banking Committee are eager to start holding hearings and implementing their agendas, both panels are — for now — in a holding pattern. Organizational delays in both chambers are preventing either committee from scheduling hearings, hiring staff or taking other steps forward.

The yearlong tax hiatus from the federal estate tax has ended. The rate now goes to 35% for 2011 and 2012, with the first \$5 million tax free. New York State has a state estate tax of 16%, with a \$1 million exemption, distinct from the federal tax.

Credit unions are expected to face a difficult year. The chief economist at the Credit Union National Association projected 2% to 3% credit union loan growth in 2011. He also projects credit unions will manage deposit growth down to 3.5% to 4%.

The number of Americans filing for personal bankruptcy topped 1.5 million in 2010, attributable in large part to high long-term unemployment and depressed home prices. Personal bankruptcies rose to 1.53 million, up 9% from 2009.

New governors in 26 states are taking office with “somber warnings” of more tough times amid revenue shortfalls and a weak job market. In New York, Gov. Cuomo has promised to put a lid on property taxes and shrink the size of state government.

Governor Cuomo rejected the idea of extending the income tax surcharge on “high earners” set to expire at yearend, and urged legislators not to link “disparate issues” such as a property tax cap and NYC rent control laws.

Fed Chairman Ben Bernanke testified before the Senate Budget Committee and stated that he wants to make sure that the regulatory burden on community banks is not increased so that they

can continue to make loans. Bernanke said he believes that the availability of credit has improved recently.

U.S. home prices fell 5.1% in November from a year earlier, and are expected to decline further as the housing market struggles to find its recovery. However, home prices in six states, including New York, rose in November.

“First Look” is published by the New York Bankers Association. Please send questions, comments or submissions to Stephen W. Rice, srice@nyba.com, Fax 518-434-1576, or call 518-434-3557. We are sending you this e-mail for your information. If you prefer not to receive any further messages from us, you may unsubscribe to “First Look” by contacting Steve Rice at 518-434-3557 or srice@nyba.com.