



HIGHLIGHTS



December 20, 2007

NOONAN'S NOTES

State Capitol ... the CBA's annual joint Legislative and Executive Committee meeting was just held ... dominating the discussion, of course, was predatory lending and the subprime mortgage market meltdown ... there are innumerable proposals in both the State legislature and the Congress; as well as proposals from every state and federal regulator known to man ... the situation is very fluid and fraught with potential problems for our industry ... we will keep you advised.

D. C. ... the nation's Capitol tells pretty much the same story as the State, only more so ... the House has passed a bill; Senator Dodd has proposed a tougher bill; and now the Federal Reserve has promulgated new rules on mortgage lending ... on top of this, both the House and Senate have bills pending which would change bankruptcy rules providing for "cram downs" and other lender unfriendly rules ... anything can happen at this point ... Bah Humbug!

TJX ... while not the result we had hoped for, the lawsuit achieved its main goals: a) some recompense for banks; and more importantly, b) a significant elevation of this important security issue ... the card systems and the retail industry are now officially on notice that their security systems are inadequate and must be improved ... through this case, both the public and the politicians have a new awareness that we believe will spur the development of adequate safeguards for retail customers.

BANKWORLD BALLYHOO

BankWorld 2008 ... the Connecticut Bankers Association is pleased to announce that **BankWorld 2008** will be held on Tuesday, April 29, 2008 at the Crowne Plaza, Cromwell, CT ... as in the past, we anticipate that over 800 attendees will browse the booths – meet suppliers and peers - experience the latest banking products, services and technology – and learn new ideas at the seminars to be held each hour ... Associate Members will benefit from **BankWorld's** unique opportunity to display their company's products and people ... Exhibitor and Sponsor information has been mailed, please see CBA General Bulletin 2007-153 for Sponsorship information and General Bulletin 2007-183 for Exhibitor information ... please mark on your 2008 calendar – "**Attend BankWorld 2008 on April 29th**".

Sponsors For BankWorld 2008 ... twenty-one sponsors have signed up for **BankWorld 2008** ... to be included in the **BankWorld** brochure and program guide, sponsors need to sign up by January 11th ... **BankWorld** now has ten gold sponsors including **COCC, Diebold, Fiserv VISION, Jack Henry Banking, Lighthouse Computer Services, Inc., Open Solutions, People's United Bank (CEO & CFO Luncheon), Regan Technologies, Strunk & Associates and Wolf & Company** ... nine silver sponsors including **Brintech, Carlin, Charron & Rosen, Clark Consulting, Federal Home Loan Bank of Boston, Financial Services, Hooker & Holcombe Companies, MKA Executive and Professional Benefits, Pulse EFT Association and The Savings Bank Life Insurance Company** ... two function sponsors including **Bankers' Bank Northeast** and **Federal Reserve Bank of Boston** ... contact Colleen Clancy for more information ... don't be left out of the Northeast's premier banking exhibition show.

MEMBERSHIP MEETINGS

Advance Planning For 2008 CBA Seminars & Events ... be on the lookout for program notices for future CBA events:

March 27, 2008	CEO Dinner Meeting (invitation only)	Country Club, Farmington
April 9, 2008	CSFM '08 Graduation	Trumbull Marriott, Trumbull
April 16, 2008	FHLB Boston Annual Meeting	Fairmont Hotel, Boston, MA
April 29, 2008	BankWorld 2008	Crowne Plaza, Cromwell
May 20, 2008	Directors & Senior Officers Symposium	Aqua Turf Club, Plantsville
June 10-12, 2008	Washington D.C. Visit	Washington, D.C.
September 16, 2008	Annual Asset/Liability Management Seminar	Crowne Plaza, Cromwell
October 1, 2008	Directors & Trustees College	Crowne Plaza, Cromwell
November 6-9, 2008	2008 Annual Meeting	Palm Beach, FL

Look for seminar information four to six weeks prior to each event or call the CBA to be put on a special mailing list.

2008 Retirement Plans Mid-Winter Conference – March 18 & 19 ... the CBA and Ascensus (formerly BISYS Retirement Services) will be offering a Basic IRA Seminar on Tuesday, March 18th and an Advanced IRA Seminar on Wednesday, March 19th at the Crowne Plaza Hotel, Cromwell ... General Bulletins announcing the two programs will be forthcoming.

CBA Telephone Seminars ... the following programs have previously been or will soon be announced to the membership:

January 10, 2008	Proper Completion Of RESPA Disclosures	2:30 p.m. – 4:30 p.m.
January 18, 2008	Loan Doc I - The Basics: Obtaining Enforceable Liens Under UCC9	2:30 p.m. – 4:30 p.m.
January 24, 2008	Implementing The New Affiliate Marketing Rules	2:30 p.m. – 4:30 p.m.
January 28, 2008	Loan Doc II - Lien Perfection: Getting It Right	2:30 p.m. – 4:30 p.m.
January 29, 2008	Call Report Update: 041 Report 2008	2:30 p.m. – 4:30 p.m.
February 1, 2008	Loan Doc III - Reviewing Collateral Files	2:30 p.m. – 4:30 p.m.
February 5, 2008	Part I - Frontline Deposit Compliance 2008	2:30 p.m. – 4:30 p.m.
February 8, 2008	2008 HMDA Review & Update	2:30 p.m. – 4:30 p.m.
February 12, 2008	Part II - Frontline Deposit Compliance 2008	2:30 p.m. – 4:30 p.m.
February 21, 2008	Business Financial Statement Analysis - Part I	2:30 p.m. – 4:30 p.m.
February 28, 2008	Business Financial Statement Analysis - Part II	2:30 p.m. – 4:30 p.m.

There are two ways to register ... register on-line at www.bankersed.com/ctbankers/ or simply fax the registration form to Bankers Ed (512.381.1571) ... they in turn forward a program PIN, seminar materials and instructions prior to the broadcast ... please register at least three days prior to each scheduled program ... if you would like a copy of a particular webinar's registration brochure, please call Kathy Parks at the Association (860.677.5060) or visit our website.

CBA Winter Weather Policy For 2007/2008 Seminars ... as the seminar season runs into winter - snow, sleet and the gloom of night often get in the way of the best made plans ... attendees have several options to check on the meeting's status if inclement weather is forecasted for the day of the seminar ... first check the CBA website www.ctbank.com ... on the home page, click the **Seminar Status** button for the latest information ... in addition, registrants may call the CBA (860.677.5060) after 6:30 a.m. to check the meeting's status ... when calling the CBA, please listen carefully for dialing instructions ... staff is respectful of your safe travel concerns to and from CBA sponsored events, as such, we will err on the side of caution when deciding a meeting's fate.

CFT Schedules 32 Classroom Courses ... bankers throughout the entire State of Connecticut will have 32 courses and 16 convenient locations to choose from for their industry-related education this spring ... these traditional classroom courses have provided bankers with career-focused knowledge and a networking foundation for over 100 years ... the spring 2008 Course Catalog and Schedule is currently available online at www.cftatlantic.org.

CFT Bankers' Forum 2008 Schedule ... the following management-focused education/networking events are open to all financial institutions ... evening programs feature industry-related topics, a networking reception and dinner ... please mark your 2008 calendar for the following scheduled meetings:

February 20, 2008	Banking Commissioner Pitkin	Aqua Turf, Plantsville, CT
March 19, 2008	Sales Coaching	Hawthorne Inn, Berlin, CT
April 16, 2008	Employee Appreciation Night/CSFM	Hawthorne Inn, Berlin, CT
May 21, 2008	Economic Update	Hawthorne Inn, Berlin, CT
June 16, 2008	Annual Golf Outing	Tunxis Plantation CC

IMPORTANT ITEMS

National Teach Children To Save Day is April 29, 2008 ... now in its 12th year, this national initiative promotes the importance of saving to students in grades K-12 ... the ABA's Education Foundation has revised its popular resource kits into two categories; one kit for K-6 grade students and a second kit for 7-12 grade students ... ABA members can order either kit for \$95.00 each while non members can order either kit for \$165.00 each ... for more information on this excellent outreach program, please visit www.aba.com/Consumer+Connection/ABAEF+products.htm.

BITS & BYTES

2008 Mortgage Escrow Interest Rate Issued ... the Department of Banking has recently issued the 2008 mortgage escrow interest rate ... the notice can be viewed by visiting <http://www.ct.gov/dob/cwp/view.asp?a=2229&q=400612> ... the notice reads "In accordance with Sections 3-70a(e), 16-262j(d), 47a-21(i)(2) and 49-2a(c) of the Connecticut General Statutes, the deposit index for calendar year 2007 is 0.94%. However, Sections 3-70a(e), 16-262j(c), 47a-21(i)(1) and 49-2a(a) provide that in no event shall the rate be less than 1.5%. Therefore, the interest rate to be paid on claims for property,

funds or money delivered to the State Treasurer pursuant to Section 3-57a(a)(1) or (2), and mortgage escrow accounts, public service company, certified telecommunications provider and electric supplier customer security deposits and tenant security deposits is **1.5%** for the period commencing January 1, 2008 and ending December 31, 2008" ... the **1.5%** rate has been unchanged since January 1, 2002 when it fell from 2.4%.

New IRS Form 1098 Reporting Requirements on mortgage insurance premiums kicks in for 2007 ... this reflects changes in the IRS code in late 2006 which allows a federal income tax deduction for any mortgage insurance premium paid during a calendar year ... CBA tax counsel has prepared a brief summary of the code provisions ... please review CBA General Bulletin 2007-182 for further details or call Tom Mongellow at the CBA.

Final Rule on Advanced Capital Adequacy Framework – Basel II ... the federal bank and thrift regulatory agencies have jointly issued their final rule concerning the domestic application of selected elements of the Basel II capital framework ... the final rule requires some banks, and permits other banks, to use an internal ratings-based approach to calculate regulatory capital requirements for credit risk and an advanced measurement approach to calculate regulatory capital requirements for operational risk ... the final rule will take effect on April 1, 2008 ... for more information, see FDIC FIL-107-2007.

Mandatory Purchase Of Flood Insurance ... the Federal Emergency Management Agency (FEMA) has released an updated electronic edition of its booklet which can be downloaded at www.fema.gov/library/viewRecord.do?id=2954 ... a print version of the booklet can be ordered by calling 800.480.2520 ... this booklet clarifies some of the complex issues that have arisen since the 1999 edition ... it also highlights certain program changes, including: the processing of Letters of Map Change; Options for purchasing coverage for buildings under construction; Coverage under Residential Condominium Building Association Policies (RCBAP); a new requirement to list the Replacement Cost Value on the declarations page of each RCBAP; and Updated Mortgage Portfolio Protection Program information.

Winter 2007 Issue Of Supervisory Insights Is Now Available ... topics addressed in this issue include: a discussion of how liquidity management and measurement practices based on asset-based funding strategies and measurements have evolved to more complex funding strategies with a greater emphasis on liability sources, off-balance sheet funding, and more robust measurements ... a review of regulatory guidance on managing commercial real estate concentrations and best practices and examples of methodologies some banks use to control the risks in these transactions ... the critical role Suspicious Activity Reports (SAR) play in fighting financial crimes and various methods for making the information in SARs more useful and effective for both law enforcement and regulatory agencies ... how FDIC examiners review and analyze HMDA loan data and suggestions to examiners and bankers for making the analysis process more effective ... how banks have responded to increasing risks in the internet banking environment ... a report on how community banks in the FDIC's Dallas Region are using leveraging strategies to enhance earnings and growth, as well as the risks and risk management practices needed to control risk associated with leverage transactions ... to read or print off any of these articles, visit the FDIC website - www.fdic.gov/regulations/examinations/supervisory/insights/siwin07/index.html.

CBA General Bulletins Are Available On Our Website ... most CBA General Bulletins can now be accessed from our website at www.ctbank.com/pub_bulletins.php ... if you can't find a bulletin that has been emailed to you, just go to our website and download the information.

HAPPY HOLIDAYS!

The staff of the Connecticut Bankers Association wishes all members, associate members and friends of the Association Happy Holidays and a Safe and Prosperous New Year.

Visit the CBA online at www.ctbank.com

**Connecticut Bankers Association
CFT Atlantic States**

2007 - 2008 Seminars & Events Calendar

JANUARY 2008

9	CSFM Session	Crowne Plaza, Cromwell	8:30 a.m. - 4:00 p.m.	CBA
10	Proper Completion Of RESPA Disclosures	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
18	Loan Doc I The Basics: Obtaining Enforceable Liens Under UCC9	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
24	Implementing The New Affiliate Marketing Rules	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
25	NE Marketing Conference	Wentworth By The Sea, NH	8:30 a.m. - 4:00 p.m.	NEMA
28	Loan Doc II Lien Perfection: Getting It Right	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
29	Call Report Update: 041 Report 2008	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA

FEBRUARY 2008

1	Loan Doc III Reviewing Collateral Files	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
5	Frontline Deposit Compliance Part I 2008	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
7	CSFM Session	Crowne Plaza, Cromwell	8:30 a.m. - 4:00 p.m.	CBA
8	2008 HMDA Review & Update	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
12	Frontline Deposit Compliance Part II 2008	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
20	CFT Bankers' Forum	Hawthorne Inn, Berlin	5:30 p.m. - 8:00 p.m.	CFT
21	Business Financial Statement Analysis Part I	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
28	Business Financial Statement Analysis Part II	Web Seminar	2:30 p.m. - 4:30 p.m.	CBA
29	Management Development Committee	Hawthorne Inn, Berlin	9:00 a.m. - 11:00 a.m.	CBA

MARCH 2008

5	CSFM Session	Crowne Plaza, Cromwell	8:30 a.m. - 4:00 p.m.	CBA
11-12	ABA's Government Affairs Conference	Washington, D.C.	TBA	ABA
18	Basic IRA Seminar	Crowne Plaza, Cromwell	8:30 a.m. - 4:30 p.m.	CBA
19	Advanced IRA Seminar	Crowne Plaza, Cromwell	8:30 a.m. - 4:30 p.m.	CBA
19	CFT Bankers' Forum	Hawthorne Inn, Berlin	5:30 p.m. - 8:00 p.m.	CFT
27	CEO Dinner (invitation only)	The Country Club, Farmington	5:30 p.m. - 8:00 p.m.	CBA

APRIL 2008

2	CSFM '09 Session	Crowne Plaza, Cromwell	8:30 a.m. - 4:00 p.m.	CBA
6-8	CSFM '08 Resident Session	Trumbull Marriott Hotel	TBA	CBA
9	CSFM '08 Graduation	Trumbull Marriott Hotel	Noon - 2:00 p.m.	CBA
16	FHLB Boston Annual Meeting	Fairmont Copley Plaza, Boston, MA	10:00 a.m. - 2:00 p.m.	FHLB
16	CFT Bankers' Forum	Hawthorne Inn, Berlin	5:30 p.m. - 8:00 p.m.	CFT
29	BankWorld 2008	Crowne Plaza, Cromwell	8:00 a.m. - 2:30 p.m.	CBA

MAY 2008

6	CSFM '09 Session	Crowne Plaza, Cromwell	8:30 a.m. - 4:00 p.m.	CBA
20	Directors & Senior Officers Symposium	Aqua Turf, Plantsville	3:00 p.m. - 8:00 p.m.	CBA
21	CFT Bankers' Forum	Hawthorne Inn, Berlin	5:30 p.m. - 8:00 p.m.	CFT
23	NE Marketing Conference	Providence, RI	9:00 a.m. - 5:00 p.m.	NEMA

JUNE 2008

10-12	Annual Washington D.C. Visit	Washington, D.C.	TBA	CBA
16	CFT Bankers' Forum Golf Tourney	Tunxis Plantation CC, Farmington	11:00 a.m.	CFT

August 2008

25	CBA Annual Golf Tournament	The Country Club, Farmington.	TBA	CBA
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