

## Poaching A Venue

by [Steve Brown](#)

There was a case of a young couple who wanted to get married in an architecturally elegant location in order to create a lasting romantic memory. This couple ended up exchanging vows at the National Museum of Natural History in Washington DC, strategically set up in front of the African elephant exhibit in the main entrance. This placement wasn't random, as the couple had professional help in arranging their special day--though not through the use of a traditional wedding planner. Instead, they used an elopement planner and the whole arrangement cost about \$1,500 including the legal paperwork. Not a bad deal when you consider the average cost for a wedding in the U.S. is around \$30k. The only trick for the couple came when museum security arrived and they had to speed up the "I do's" and get off the property. Oh well, at least they saved enough money to hire a professional photographer and get some good pictures.

Now, most people understand the concept of getting what you pay for, but for most people, saving money is a consideration as well. People are especially unhappy when fees and costs are obscure and difficult to understand. If studies are correct, bank overdraft fees and costs continue to be a key point of obscurity and difficulty for most people. Overdrafts used to be a steady source of non-interest income for banks but regulations have nearly eliminated all of that.

Bankers remember well the change in regulations with the requirement for customers to opt-in, but it turns out many customers don't remember doing so. In fact, there was a recent Pew study that found 52% of the people who were charged an overdraft in the past year could not recall opting in. Further, some 68% said they would rather be declined at the point-of-purchase than pay a \$35 overdraft fee. The actual outcome is worse for most customers in that the average total cost per overdraft event was \$69. As a result, 80% of those who had an overdraft think practices and fees should be regulated more closely.

There should be little surprise that prepaid cards are booming given the level of misunderstanding surrounding overdrafts on checking accounts. After all, if there is no money available on the prepaid card, the charge is simply refused. As the study above found, this is just what more than 2/3s of the people who paid an overdraft last year said they wanted to happen.

When entering a bank branch, we don't always sneak around the lobby listening to conversations between customer service representatives and customers. But given some conversations we've inadvertently overheard, we do sometimes wonder what training sales teams receive. Aligning customer expectations with product offerings can be a full time job, but the more you strive to do this, the more likely that customers will be satisfied. It's worth the extra effort.

As for our couple who had their low-cost wedding at the museum, they found out that placement near the door was a good idea as it allowed them to beat a hasty retreat when security arrived. Unfortunately for our couple, museum security arrived before the final "I do" could be uttered, so the party was quickly ushered outside. While the goal of a memorable wedding was certainly achieved, we are not so sure about the romantic part of this story. Perhaps the museum forgot that an unpleasant experience is far more frequently remembered and recounted to friends than a good one.

# ECONOMY & RATES

## Yesterday

The lack of economic data made for a relatively calm trading session with yields falling less than 1bp by the close of the day.

## Today

Treasury Yields are currently down 2bps while the market waits for initial and continuing jobless claims to be released later this morning.

Rates As Of: 08/07/2014 07:47AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.02	0.00	0.00
6M	0.04	0.00	0.00
1Y	0.09	0.00	0.00
2Y	0.45	0.00	0.00
5Y	1.63	0.00	0.00
10Y	2.45	0.00	0.00
30Y	3.25	0.00	0.00
FF Market	FF Target	Fed Disc	
0.00	0.25	0.00	
Prime	Unemployment	Oil	
3.25	0.00	\$0	

[More Market Rates](#)

## BANK NEWS

### M&A

Rockland Trust Co. (\$6.2B, MA) will acquire Peoples Federal Savings Bank (\$600mm, MA) for about \$130.6mm in cash and stock.

### M&A

Peoples Bank (\$2.1B, OH) will acquire The National Bank and Trust Co. (\$661mm, OH) for \$109mm in cash and in bank stock.

### M&A

Friend Bank (\$70mm, AL) will acquire City Bank of Hartford (\$55mm, AL) for an undisclosed sum.

### M&A

First Commerce Credit Union (\$407mm, FL) will acquire First National Bank of Crestview (\$89mm, FL) for an undisclosed sum.

### Branch Purchase

TriCentury Bank (\$4mm, KS) will acquire 2 branches from Equity Bank (\$1.2B, KS) for an undisclosed sum.

### M&A

Bank of the Ozarks (\$5.0B, AR) will acquire Interinvest National Bank (\$1.6B, NY) for \$228.5mm in stock or about 1.1x tangible book.

### M&A

Regions Bank's insurance unit will purchase employee benefits and consulting firm Zalowitz Frisch Benefits Group for an undisclosed sum.

### M&A

**M&A**

Alloya Corporate Federal Credit Union (\$2.9B, IL) will acquire System United Corporate Federal Credit Union (\$995mm, CO) for an undisclosed sum.

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