

Greater Peterborough Chamber of Commerce
Business Support Meeting
January 9, 2009

Past Chair Ed Despres called the January Business Support Committee to order with the following members and participants in attendance.

George Duncan, Chair

Ed Despres	Robin Eichert
Gordon Hale	Pamela Gleeson
Bob Edwards	Pam Crook
Carol Ogilvie	Bonnie Kurylo
Paul Faber	Peter Brown
Bill Pierce	Laura Gingras
John Vance	

Ed Despres introduced the Committee's new Chair, George Duncan. George solicited everyone's input, thoughts for speakers and general ideas for making our meetings as interesting and informative as possible during 2009.

George introduced the three speakers present, Bill Pierce, President of Monandock Community Bank, Paul Faber, Vice President of Lake Sunapee Bank and Bob Edwards, Vice President of Ocean Bank. Also invited was Dave Reilly, Vice President of TD Banknorth who was unable to attend the meeting but provided a very informative article entitled, NH Banks: Calm in the Eye of a Financial Storm. The article addressed the over-all condition of NH banks and noted that none of the 171 banks listed on the FDIC's "problem" list in late November 2008 were state chartered or federal banks with offices in the Granite State. It provided interviews with Gerald Little, president of the NH Bankers Association, Peter Hildreth, commissioner of NH's Banking Department and other noted individuals who track key economic and banking performance such as Russ Thibeault, president of Applied Economic Research in Laconia. Bankers interviewed for the article included, Mark Primeau, president of Laconia Savings, Joe Reilly, president and CEO of Centrix Bank in Bedford, Sherwood Moody, president of Claremont Savings Bank. Commissioner of NH Bank's Hildreth stated that foreclosures in NH are not as great as in other states and he did not consider the increase in foreclosures in NH as steep. Improved underwriting has led to improved loan quality. He stated that NH banks shouldn't be lumped in with Wachovia and Washington Mutual and he commented, "we're fine, thank you very much."

President Pierce was the first banker to speak about the area economy and the general health of NH banks. He provided charts defining unemployment, consumer confidence, economic indicators, interest rate fluctuations and projections, and other key economic information for all to review. Handouts also included various articles of interest published by Bloomberg that explained more of the national financial situation and information regarding Citigroup, AIG, GM and certain hedge fund performance or lack thereof.

He also handed out a report explaining housing demand and age in NH published by Russ Thibeault of Applied Economic Research. The information tracked and projected NH population by age from 2000-2030. The key finding was that in the 65+ age segment, the percentage change between 2000 and 2030 is projected to be 195%. They represented 13% of the population in 2000 and are projected to represent 29% of the population in 2030. The largest percentage of population in 2030 is projected to be 47% held by 25-64 year old population. Mr. Thibeault also projects that households 55 and over will increase 86% between 2000 and 2030 and total 310,174 households. Mr. Pierce also provided 2008 local area unemployment statistics prepared by the NH Employment Security, Economic and Labor Market Information Bureau in Concord.

He spoke about NH banks being prudent with their lending guideline, small business assuming a conservative posture presently and discussed the general downturn in the housing market. Mr. Pierce noted how his bank and others use of the US Small Business Administration's loan programs as an enhancement for banks to grant loans in certain circumstances.

He noted that Monadnock Community Bank has money to loan to both consumers and small business.

Second to speak was VP Paul Faber, Lake Sunapee Bank. Paul spoke to the number of mortgage transactions as published by the Registry Review and he noted the decline in home sales. This translates to a lack of loan originations in all banks.

Paul noted that the business community is concerned with the weakening economic condition and is being cautious about expanding their business and becoming involved with additional debt at this time in the economic cycle.

Lake Sunapee Bank also has money to loan its business and consumer customers as well.

Last to speak was Bob Edwards from Ocean Bank. He noted that Ocean Bank is now a division of Peoples United Bank headquartered in Bridgeport, CT. People's currently has over 300 branches with a presence in every NE state except Rhode Island.

He noted that Ocean Bank did not get involved in sub prime lending, home equity loans at 125% of the property's value or collateralized Debt Offerings (CDO's). Peoples United is now listed on the S&P 500 and has 2.5B in cash and short-term investments.

Edwards's opinion is that the general health of NH banks is sound. Prudent lending and investing has led most NH banks to remain in good financial health. Banks are closely monitoring loan performance to allow early intervention to assist their customers wherever possible early on and before the situation worsens.

He spoke about increased FDIC insurance from \$100,000 to \$250,000 through at least 12/31/09 but probably will be extended longer. The anticipated turn-around for the

economy may not be witnessed until Q2 in 2010. NH Payday or Title Loans granted to people with lower income levels have charged as much as 466% in annualized interest rates and in 2008 the legislature passed a bill that limited the interest rate for such credit to 36%. NH also passed legislation that prohibited Internet payday lenders from conducting business in NH unless they have a physical location in the state. Substantial fines were assessed against The Mortgage Specialists in NH for lending violations that were uncovered. Some mortgage originators were encouraging borrowers to select a mortgage program that was not in their best interest just so they would earn a larger fee. Effective April 1, 2009 all mortgage originators must be licensed which will allow greater banking department regulatory oversight.

Edwards warned against debt settlement companies and their praying upon seniors with large credit card debt.

Credit requirements for mortgages have been increased by some lenders requiring higher credit scores and larger down payments, especially for applicants applying for jumbo mortgage loans.

Edwards reported that many businesses are fragile presently and are cautious about taking on a higher level of debt. Many can grow their production another 25% before having to add to their physical plant or increase employees. Skip payment programs are available to some industries that slow or stop work during the winter months.

Ocean Bank does sell the majority of their mortgage product to Wells Fargo and others. He did states that Ocean Bank has money to loan to the business community and individual consumers.

George thanked all participants for their effort and presentations. Copies of the various articles and information are available by contacting Bob Edwards at 358-5575.

A motion was made to approve the December 2008 minutes by Gordon Hale, seconded by Bob Edwards, and voted in the affirmative.

Under Old Business, Ed Despres noted that the new town welcome signs survived the ice storm and winter elements so far.

George noted that February's meeting will feature investment brokers and their thoughts regarding the market. He asked for everyone to update his or her e-mail address and circulated the current listing.

George spoke with Jack Burnett about the Chamber functioning as a vehicle for market research for our local businesses. Information such as buying habits, products, what shopping needs/habits encourage people to shop outside of Peterborough.

In response to cut backs with individual spending and donation giving in a down economy, Laura Gingras noted that "charitable giving" does not necessarily decline in a

difficult economy contrary to some beliefs. For those individuals that work with non-profit entities, keep asking.

A motion was made to adjourn, seconded and passed in the affirmative.
Meeting adjourned at 8:45AM.

Bob Edwards, Secretary Pro Tem