

AMERICAN BANKER

On Focus and In Depth

People

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By [Heather Landy](#) and [Paul Davis](#)

An Egghead's GSE

It wasn't pie-in-the-sky thinking that prompted the Nobel Prize-winning economist [Edmund S. Phelps](#) and the risk management adviser [Leo M. Tilman](#) to propose creating a [First National Bank of Innovation](#). The [Columbia University](#) colleagues, who pitched the idea in the [Harvard Business Review](#) this week, see a real need for a game-changer to help the U.S. economy get back its edge.

Phelps and [Tilman](#) envision a government-sponsored enterprise that could raise cheap money and funnel it to innovative projects vetted by lending and investment officers from a network of banks. Think of it as a cross between the [Farm Credit System](#) and a venture capital firm, generating enough economic dynamism from areas such as clean energy and nanotechnology to propel the country.

Of course, the recent misadventures of [Fannie Mae](#) and [Freddie Mac](#) may have curbed the appetite for GSEs. But Phelps and Tilman told *American Banker* that the mortgage finance companies were not hobbled by their GSE status.

"A properly capitalized and risk-managed GSE — that makes economically driven decisions and is free of political pressures or patronage — should deserve serious consideration," they said.

Local Reinvestment

Timing is everything.

On Monday the [North Carolina Bankers Association](#) hosted [Brian Moynihan](#)'s first public appearance as [Bank of America Corp.](#)'s CEO. The appearance garnered substantial media attention for the association's annual economic forecast forum.

"It was a delayed Christmas present," said [Thad Woodard](#), the association's president. "This was the biggest coverage that we have ever received for an event."

[Woodard](#) said his group had lined up [Ken Lewis](#) months ago, only to have those plans erased with the former [B of A](#) chief's surprise retirement announcement Sept. 30. The [NCBA](#) quickly secured [David Darnell](#), [Bank of America](#)'s head of commercial lending, as the keynote while the company's board haggled over the naming of Lewis' successor.

[Moynihan](#) was appointed as Lewis' successor just three weeks ago, but he opted to fulfill his predecessor's obligation. "I'm sure we weren't the only ones pleased," Woodard said. "It also got David off the hook for preparing a speech."

Board Departures

Longtime [Citigroup Inc.](#) board member [John Deutch](#) will not stand for re-election to the board at Citi's coming annual meeting, the company said Thursday in a federal filing. ...

The clock has run out on [BB&T Corp.](#)'s longest-serving director. BB&T said Tuesday that [Tom Efirm](#) retired Dec. 31 after reaching the Winston-Salem, N.C., company's mandatory retirement age of 70. [Efirm](#) joined BB&T's board in 1982, when BB&T had less than \$4 billion of assets.

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