

# ORANGE COUNTY BUSINESS JOURNAL

## [ Q&A ]

*Regulations, while they remain a common key challenge for all financial institutions, aren't the only burden on bankers' minds. There are other concerns that may be specific to a bank or credit union, including its size, customer base, and other factors.*

*The Business Journal's Jane Yu asked local bank and credit union executives to discuss their current concerns other than regulations. Their responses touch upon a variety of topics, ranging from data security and competition from online lenders to finding skilled talent and catering to younger generations.*

*Here are edited excerpts of their responses:*

### **Stephen Gordon**

Chief Executive  
Opus Bank  
Irvine

Regarding where the regulatory environment is right now, I actually think it was necessary and important that the pendulum swung the way it did. There was a lack of regulatory oversight in the previous decade, and there were constituents that contributed to the crisis. I think it's crucial that bankers recognize the importance of the banking system being healthy and being the pillar of the U.S. economy. That means they've got to have a greater degree of respect and recognition of what they do.

The bigger concern for us is the rates being near zero for as long as it's been near zero. I don't think it's healthy for the banking system and the economy, and also in terms of its setting up the potential for the next cycle. There are bubbles emerging under the surface, and there's too much cash chasing yield and ignoring risk-adjusted returns. There's a lot of cash as a result of rates being where they are, but that is ignoring that in order to pick up whatever yield someone got in a particular asset class, perhaps there was more risk inherent in that investment at the time. That's something we watch very closely. That means we need to be good at what we do and have a solid, comprehensive risk-management perspective. We also need to recognize that we may still be in this environment for quite a while. One needs to be disciplined, and a lot of people have forgotten about discipline.

