

## Big Banks Cutting Loans to Employees With "Hardship"

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Slate's The Big Money, by Paul Smalera

**ANALYSIS** The big banks are inventing creative ways around the executive compensation limits, reports the *Wall Street Journal* today. "Bank of America Corp. and Citigroup Inc. are doling out shares that employees can sell within months--much sooner than normally allowed. Other giant banks, including Goldman Sachs Group Inc. and Royal Bank of Scotland Group PLC, let certain employees borrow money to relieve personal cash crunches. And some U.K. banks have considered raising base, or cash salaries--funds that won't be subject to the country's new 50% tax on bonuses." The banks, one industry expert seems to be saying, aren't out to purposely annoy regulators or the public. What with multiple residences, private school tuitions, domestic employees, and various membership fees, a banker's expenses can demand a lot of cash. That means bankers are increasingly doing something previously reserved for the rest of the public: going into debt. **"Loans are the most popular form of financial aid for traders and investment bankers. Gustavo Dolfino, a senior managing director at recruiting firm Accretive Solutions, says loans 'are happening all over' Wall Street. They include a type of bridge loan made to tide over employees whose fixed expenses outstrip available cash resources,"** the paper says.