Jay Repine

Supervision and Regulation subject matter expert, Miami

Seventeen years of service

It's all about lights and patios.

Soaring stacks of patios have risen all over Miami in the past few years. The problem: Many of those balconies sit empty, like the gleaming new condominiums to which they are attached. Granted, it's highly unscientific, but checking for patio furniture—or for lights at night—makes it painfully clear that many of Miami's 22,000-plus condos built since 2003 sit vacant.

Huge numbers of condos are dark with bare balconies, and to make matters worse hundreds more will be completed during 2009. Thus, Miami has become the epicenter of the real estate glut in the Southeast and one of the nation's most overbuilt markets.

As a result, Repine saw his job and his colleagues' jobs transformed during 2008. "There were people here who before this year had rarely seen a problem loan," Repine said. They saw plenty during 2008.

For Repine, the economic tremors radiating from south Florida's condo boom upended the normal work day. Before the upheaval in the financial services industry, he had devoted more than half his time to anti-money-laundering work—a major focus, along with international banking analysis and monitoring, of the Miami team. While he still must carve out significant hours in the day for those critical functions, his workday is different now.

Repine's work changed in 2008 as he and other international and anti-money-laundering specialists found their regular duties had to share time with significant work examining local and regional financial institutions, gathering and analyzing information in an attempt to untangle the causes of a financial downturn that emerged quickly and worsened even faster.

To that end, during the late fall of 2008 Repine compared notes on market conditions several times a week with contacts at global financial institutions. In more normal times, he made those calls only in advance of the Federal Reserve's Federal Open Market Committee meetings, which are scheduled eight times a year.

During calls one day in early December, Repine's contacts delivered some very bad news: Loan demand had all but evaporated as corporate borrowers deferred taking on debt. Banks had little appetite to lend and expected additional businesses to face hard times after the first of the year. Investors large and small remained suspicious.

In another meeting with Atlanta Fed colleagues, the talk was of difficult discussions with financial institution managers and of condo towers with so few residents that owner association fees were skyrocketing.

A few encouraging signs emerged from Repine's discussions. As of year's end, large money market mutual funds, for instance, were gradually putting money to work again. Nevertheless, pessimism prevailed.

After one call with a gloomy banker, Repine said that before the financial turmoil began, his contact "couldn't think of a way to lose money." In 2008, it was hard to think of a way not to.