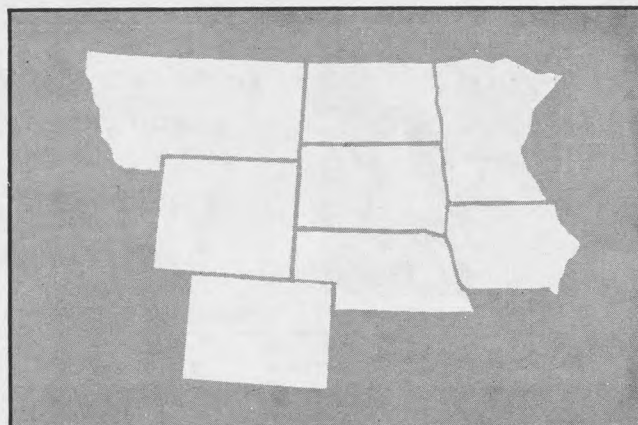


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1113

Des Moines, Iowa

August 12, 1968

7 Per Cent Student Loan Rate Ceiling

The maximum interest rate on guaranteed student loans moves from 6% to 7% under an abbreviated and temporary student loan measure President Johnson was expected to sign into law almost immediately.

Senate-House conferees, realizing that agreement on an omnibus higher education bill would not be worked out until sometime in September, rushed through Congress in two days the measure merely hiking the ceiling and providing Federal reinsurance for state guarantee funds.

The rate increase applies to guaranteed college and vocational loans made by commercial banks, mutual savings banks, savings and loan associations and credit unions. Bankers in particular had told Congress higher rates were needed if the institutions were to break even on the education loans.

The measure would authorize lenders to charge as much as 7% in states where such a rate would not conflict with usury laws. In states with 6% usury laws, it would authorize the

U. S. Office of Education to pay lenders a supplemental 1% fee that would bring the yield to 7%.

The only other provision in the measure, which expires October 31, sets up a reinsurance plan designed to increase the number of student loans available. The Federal government would reinsure each dollar of state guaranteed capital at a ratio of four to one.

The effect would be to create reserve capital of \$240 million and, in turn, a guarantee capacity of \$2.4 billion in new student loans.

In taking action on the abbreviated bill, Congressional leaders made it clear they simply wanted to head off any possibility of lenders holding up the processing of student loans until the higher rate was available.

NATIONAL NEWS

SOUTH ST. JOSEPH, MO.: The First Stock Yards Bank will hold its 12th Annual Market Day on Wednesday, September 4.

WASHINGTON, D.C.: The American Bankers Association has appointed a special committee on charter conversions. Rex J. Morthland, president of the Peoples Bank & Trust Company, Selma, Ala., has been named chairman. Among the six other committee members are Gordon L. Mennen, president of the Le Mars Savings Bank, Le Mars, Iowa, and Clifford C. Sommer, president of the Security Bank and Trust Company, Owatonna, Minn. The committee also has two state banking superintendents among its members. They are James M. Hall, superintendent of banks of California, and Frank Wille, superintendent of the New York State Department of Banks. William T. Heffelfinger, who is federal administrative advisor in the ABA's Washington office, is secretary of the committee. Dr. Carter H. Golembe of Carter H. Golembe Associates, Inc., is serving as consultant.

WASHINGTON, D.C.: The Treasury announced August 5 that holdings of E and H Savings Bonds and Freedom Shares came

(Continued on Page 4)



For Correspondent Cooperation ...

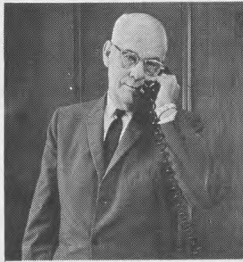
Bank under the **BIG C**

CENTRAL NATIONAL BANK AND TRUST COMPANY

"The Bank That Cares"

LOCUST AT SIXTH AVENUE, DES MOINES, IOWA.

Member Federal Deposit Insurance Corporation



Jerry Nelson

We're here to help
you get what you want

IOWA-DES MOINES NATIONAL BANK

Member Federal Deposit Insurance Corporation

Brown Bros.
INC.

BURGLAR
ALARMS
Banks,

DESIGN & ENGINEER
COMPLETE BANKING FACILITIES

Telephone 515 / 262-8209
2905 Delaware Ave.
Des Moines, Iowa

IOWA NEWS

DES MOINES: John V. Emmons has been appointed data processing manager of Capital City State Bank. He is a graduate of Iowa Technical Education Center in Ottumwa and has taught data processing at the adult education level in the Des Moines public school system for the past two years.

DIAGONAL: New directors elected at the First State Bank are Albert Rychnovsky and Ethlyn Herrington of Diagonal, Harry Madden of Kent, A. B. Wissink and his wife, Lorna Wissink. Mr. Wissink, who recently purchased the bank, has been elected the new president and chairman of the board of directors.

IOWA CITY: Chauncey E. Schmidt



CHRISTY
ARMSTRONG



LEO
KANE

'WE HAVE WHAT YOU WANT
in a correspondent bank'
american trust
and savings bank
9TH AND MAIN, DUBUQUE, IOWA
MEMBER: FDIC • FRS



LEO
SCHLUETER



JAMES
WRIGHT

has been assigned responsibility for all of the First National Bank of Chicago's branches, affiliates and associated activities in Europe, Africa and the Middle East. He is the son of Walter F. Schmidt, vice president of the Iowa State Bank and Trust Company, and is currently serving as vice president and general manager in London for the Chicago bank.

MARSHALLTOWN: The Marshalltown City Council has granted a special use permit to the Security Savings Bank to construct a drive-in bank on South Center Street.

NEBRASKA NEWS

ALLIANCE: Clyde H. Sudman has resigned as chairman of the board of directors of the Guardian State Bank after 39 years with the bank. He also resigned as president of the Bank of Hemingford, Gordon State Bank and Bank of Valentine and as a director in other banks. He plans to continue his home here.

BELLEVUE: Colonel Ellsworth L. Merkel, U.S. Air Force retired, vice president and manager of the Offutt Air Force Base facility of the Bank of Bellevue, has been promoted to executive vice president and cashier. Thomas F. Finnigan, who has been with the bank since March, 1967, as loan officer, has been named vice president. Bill Massop, formerly assistant cashier with First Westroads Bank,

Omaha, has been named assistant vice president.

OAKDALE: Melvin E. Johnson has purchased controlling interest in First National Bank from E. J. Spieth and Marie Parsons. He has succeeded Mr. Spieth as president. Mrs. Parsons continues as assistant cashier. Her husband, K. M. Parsons, who was vice president and cashier, died in July. Mr. Johnson formerly worked in a bank and most recently was in the credit life insurance business with Investors Life of Nebraska. Robert Krueger of Omaha handled the sale.

ROSELAND: The Roseland State Bank has filed an application with the State Banking Department to change its address from lot 12, block 10 in Roseland to lots 1, 2 and 3, block 10. Hearing on the application will be held at 9:30 a.m., September 26, at the Department of Banking, Room 1314, State Capitol Building in Lincoln.

MINNESOTA NEWS

CROOKSTON: The Crookston National Bank has purchased the building adjoining its own and has signed a remodeling contract to combine the two buildings. Contracts have been awarded to Eickhof Construction Company of Crookston, with construction slated to begin August 15.

MANKATO: Patrick J. Brunner has been named to the board of directors of the First National Bank of Mankato. He is the president and owner of Kaye Corporation.

MINNEAPOLIS: Alan D. Lyng has been named vice president of North Shore State Bank. He was formerly assistant vice president.

MINNEAPOLIS: Theodore W. Pelton, vice president for national accounts at Northwestern National Bank of Minneapolis, has retired after 25 years of service. He



Tom Horn
John Diefendorf
Gene Hagen

These men bring the Security National Bank to their correspondents. It's strictly a matter of Security's personal service. Service for any banking need or problem.

SNB SECURITY
NATIONAL
BANK

6TH AND PIERCE STREETS • SIOUX CITY

1st LINCOLN *...Expert Administration of Employee Profit Sharing Trusts*

FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN

12th & N Street • LINCOLN, NEBRASKA • Member: F.D.I.C.



started in the bank's bond department in 1943.

MINNEAPOLIS: David Hyduke, formerly an officer of First National Bank of St. Paul, has joined Marquette National Bank of Minneapolis as vice president in charge of the commercial loan division.

NEW ULM: The FDIC has approved the application of the State Bank of New Ulm to consolidate with a proposed new bank, the Winslow State Bank of New Ulm, under the latter's charter. The name of the institution will be changed to State Bank of New Ulm, and it will then continue in its present location with the same personnel, according to D. W. Palmer, president. FDIC has approved insurance coverage on behalf of Winslow State Bank. Total capital accounts will be \$822,000, a \$90,000 increase over the existing capital. The new bank charter was obtained by State Bond & Mortgage Co. of New Ulm, and 100% of the stock of the existing State Bank of New Ulm will be transferred to the new institution. The entire transaction is expected to be effective about September 3.

OSSEO: William A. Laing has been promoted from assistant cashier to cashier of the Northwestern State Bank, and Leon J. Duval has been elected assistant cashier.

ROCHESTER: Northwestern National Bank has promoted Dale Hill to assistant vice president and Don Trandem to auditor. Mr. Hill joined the bank in 1964 after serving with banks in Lamberton, Grand Rapids and Virginia, Minn. Mr. Trandem joined the bank in 1963.

ST. PAUL: The Independent Bankers of Minnesota will hold their annual meeting at the Radisson Hotel on September 11 - 12.

ST. PAUL: Application for a new bank to be called the First Mid-America State Bank of Mendota Heights has been filed with the state banking commissioner. Hearing on the bank, to be located at the intersection of Lexington Avenue and Mendota Heights Road, will be Tuesday, September 10, at 9 a.m. Incorporators are W. G. Fraser, Inc. and Federal Reserve Bank of St. Louis.

Andrews, chairman of Valley National Bank, Eagan township; R. E. Larkin, retired; John J. Pierson, branch manager for Dain, Kalman & Quail, Inc.; Dr. F. M. Owens, Jr., a surgeon, all of St. Paul, and David A. Shern of North St. Paul, executive vice president of Valley National Bank. The new bank would be capitalized at \$350,000, including \$150,000 common capital and \$100,000 each of surplus and undivided profits.

VIRGINIA: Darrell Pederson, assistant cashier of the State Bank of Virginia and assistant to the manager of the installment loan department has left the bank to become assistant in the public affairs department of Northwest Bancorporation in Minneapolis. Robert Niemi will replace Mr. Pederson. Mr. Niemi served as assistant manager of the Northern Loan Company of Grand Rapids and assistant manager of the Thorpe Loan Company of Grand Rapids before joining the bank. Ronald J. Havlik, assistant vice president of the bank, will leave September 2 to become vice president of the First National Bank of Denison, Iowa.

ST. PAUL: P. B. Bremicker, Jr., has resigned from Northwestern National Bank as senior vice president. His future plans have not yet been announced. Gerald M. Kanne moved to Northwestern National of St. Paul on July 22 from Northwestern National of Rochester and is vice president for operations.

NORTH DAKOTA NEWS

GRAND FORKS: Robert Bratager has been elected a vice president of the Valley Bank. Formerly with the Dakota National Bank in Fargo,

Kirk Gross Co
BANK PLANNING
Waterloo, Iowa

he is now in charge of commercial loans at the Valley Bank.

SOUTH DAKOTA NEWS

ABERDEEN: Tom Holdhusen and Dennis Peck, who have been officer trainees at the First National Bank of Aberdeen, have been advanced to assistant cashiers. Both men have been in the installment loan department at the bank.

HURON: Robert F. Petschow, president of the South Dakota Bankers Association, has announced the appointment of Neil Milner as executive secretary treasurer of the SDBA, effective September 1. He will replace Roy W. Terwilliger, who has accepted a position with the American Bankers Association in New York City.



**FRANK
SIBERT....**

**A GOOD MAN
TO KNOW
WHEN YOU
NEED SPECIAL HELP**



Omaha, Nebraska Member FDIC

CHILES & COMPANY

Member, Midwest Stock Exchange

MUNICIPAL AND CORPORATE BONDS
LISTED, UNLISTED AND LOCAL STOCKS
412 Farm Credit Building, Omaha, Nebraska 68102
Phone 346-6677

Always the First to Serve You!

First National Bank of Omaha

16 TH & FARNAM - OMAHA, NEBRASKA

Member Federal Deposit Insurance Corporation



Strengthening international banking connections and services through City National Bank's International Department has become quite a custom.



tirement of the preferred stock issue outstanding and the organization of a one-bank holding company to acquire not less than 80% of the outstanding shares of the bank. The proposals are subject to approval of the shareholders, Comptroller of the Currency and the Internal Revenue Service.

COLORADO NEWS

DENVER: Directors of the First National Bank have raised the dividend on their common stock by more than 40%, increasing the annual payout from \$2.80 to \$4 a share.

WHEAT RIDGE: The Colorado Supreme Court has reversed the decision of a lower court and upheld the State Banking Board's refusal to license a proposed bank here.

National News...

(Continued from Page 1)

to \$51,835,000 as of July 31.

WASHINGTON, D.C.: The nomination of Irvine H. Sprague as a director of the Federal Deposit Insurance Corporation was confirmed last week by the Senate by a vote of 53-20. The Senate Banking and Currency Committee earlier gave recommended confirmation of the nomination, after some committee members said his lack of banking experience would not be adverse to the FDIC.

California Senator George Murphy led the opposition to Mr. Sprague's confirmation, stating the latter had no experience qualifying him for such a high post. The past 17 months Mr. Sprague has been a White House staff member. Previously he was a newspaper reporter, and served as Congressional liaison man for the State of California.

SAUK CENTRE, MINN.: Howard Bell, executive director of the Independent Bankers Association of America, announced last week that the organization will hold its 39th annual convention next March 17-19 at Hotel Sahara in Las Vegas.

WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.
NORTHWESTERN BANKER
306 15th St., Des Moines, Iowa

E.F. Kooker Associates
BANK DESIGN CONSULTANTS
BOX 87 PH. 1-712-2621499
SPENCER, IOWA 51301

ILLINOIS NEWS

CHICAGO: The La Salle National Bank has announced the authorization to issue an additional \$3 million of debentures, the re-

ADVERTISING HELPS

For the agricultural banker—ads, mats, editorials and newsletters that sell full service banking to farmers. Samples available. The Farm Business Council, Inc., P.O. Box F, Urbana, Illinois 61801.

LISTENERS WANTED

La Salle National Bank, Chicago, offers brief, concise, informative and interesting stock market reports every hour on the half hour beginning at 9:30 a.m. as reported by Ed Cooper direct from the board room of Hornblower and Weeks—Hemphill, Noyes. These reports can keep you and your customers abreast of the changing market. Tune in WGN radio, 720 on your dial—a 50,000 watt, clear channel station serving the midwest. The Stock Market Report Show is just another service from La Salle National Bank. For a complete line of services, write or phone La Salle National Bank, 135 South La Salle Street, Chicago, Illinois 60690. (Area Code 312) STate 2-5200.

Mr. Banker . . .

NEED PERSONNEL?

We have registered with us experienced bank executives—men who are qualified to fill the position of Managing Officer, Commercial and Installment Loan Officers, Operations Manager, Agricultural Representative, Cashier, Assistant Cashier and/or someone to head your Insurance Department. Write and tell us of your needs.

Bankers Service

Corporation

1301 Register and Tribune Building
Telephone 515-244-3113
DES MOINES, IOWA 50309

"Serving Banks and Bankers Since 1948"

No. 1113 Northwestern Banker is published five times monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 50¢ per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579), manuscripts, mail items to above address.