

# NORTHWESTERN Banker

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## Set Strict Guidelines for Truth-in-Lending

Lending institutions can expect little, if any, help from the states in getting softer credit disclosure requirements than provided in the Federal truth-in-lending statute.

The Federal Reserve Board has issued strict guidelines outlining how states can seek exemption from the Federal statute.

As a practical matter, states seeking an exemption will have to enact legislation practically identical to the Federal law.

The Federal statute states that the board shall exempt from Federal truth-in-lending requirements "any class of credit transaction within any state if it determines that under the law of that state that class of transactions is subject to requirements substantially similar to those imposed" by the Federal law. In addition, the Fed is required to find that the state law provides adequate enforcement standards.

Under the final guidelines, state laws, if substituted for the Federal statute, must:

Cover all real property transactions regardless of the amount, but may exclude other consumer credit transactions exceeding \$25,000.

Require disclosures and notices in the form, content and terminology prescribed in the Fed's truth-in-lending regulations (Regulation Z).

Require disclosure of the finance charge and the annual percentage

rate, determined as set forth in the Fed's regulations.

In the class of transactions which normally involves security interests in real estate, provide the customer with the right to rescind certain credit transactions as provided in the Federal law.

Require creditors to deliver disclosures and notice in circumstances and on time schedules like those prescribed in Regulation Z.

Include definitions and rules of construction that give the same meaning and have the same application as those prescribed in the regulations.

State exemptions from Federal jurisdiction may be granted only with respect to the disclosure and rescission requirements of the Federal law and regulations.

Under the Federal law, advertising of credit must remain subject to Federal jurisdiction.

The Fed guidelines require a state seeking exemption to apply to the Fed. With the application, the state must submit a copy of its state law and a comparison of each requirement of state law with the corresponding requirement of the Federal law. It must demonstrate that any differences are not inconsistent with the requirements of the Federal statute and that there are no other effective state laws which are inconsistent with the Federal requirements.

The state must also provide

reasons to support the claim that its law provides for administrative enforcement comparable to the Federal statute, criminal liability for willful and knowing violation, civil liability for failure to make required disclosures and a statute of limitations with respect to civil liability actions.

## Martin Opposes Loan Rate Legislation

Congress has been urged by Federal Reserve Board Chairman William McC. Martin not to try to legislate against high interest rates.

Chmn. Martin advised against any such move in his second appearance before the House Banking Committee at hearings on the recent increase in the commercial bank prime rate to 8.5 per cent.

He also told the committee that the Fed:

Is considering imposing reserve requirements on commercial paper issued by nonbank affiliates of one-bank holding companies.

Has had "endless discussions" about raising the maximum interest rate banks may pay to attract large certificates of deposit, but has held back to prevent serious disintermediation from hitting the S&L's and damaging the housing market.

He also said that it would be "very desirable" for Congress to vote the Fed standby authority to impose controls on consumer credit.

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### IOWA NEWS

**ALTOONA:** Earl Freel, assistant cashier at the Altoona State Bank, has been named cashier and vice president, succeeding Jerry Hickok, who has joined a Britt, Iowa, bank.

**DES MOINES:** Brock L. Hessing has been promoted to assistant vice president and Frederick DeVries to credit officer at the Iowa-Des Moines National Bank. Mr. Hessing was elected an assistant cashier in 1967 and joined the bank's correspondent bank

department in January, 1968. He will remain in that area. Mr. DeVries joined the bank in 1968.

**DONNELSON:** George N. Benner has been promoted from vice president to president of the Citizens State Bank.

**LEMARS:** The Comptroller of the Currency has approved the application of the First National Bank to locate a drive-in facility near the corner of SW 12th and Lincoln Street here.

**OELWEIN:** The Oelwein Bancorp has purchased over 50 per cent of the First National Bank here from stockholders. Ray Jipson will continue as bank president. All present board members will remain on the board. Two of the owners of the Bancorp will be added to the board, Dr. John Gustafson, Des Moines pediatrician, and E. W. Maser, president of the First National Bank in LeMars and chairman of the board of the First National Bank at Sibley.

**RED OAK:** Hawkeye Bancorporation's board of directors has approved plans to acquire controlling interest in the Jasper County Savings Bank at Newton, Iowa, and an option to acquire controlling interest in the capital

*Kirk Gross Co*  
**BANK PLANNING  
Waterloo, Iowa**

stock of Kellogg Savings Bank in Kellogg, Iowa.

Acting as individuals, Hawkeye President Paul D. Dunlap and Executive Vice President Myron Weil acquired interests in both banks with the consent of Hawkeye's board of directors and offered the stock to Hawkeye at their cost. The total offering price for the two banks exceeds \$4 million. The sale to Hawkeye is subject to the prior approval of the Board of Governors of the Federal Reserve System, Washington, D. C. An application must be filed and the decision on the application will normally take several months. This is the primary reason the purchase is a two-step arrangement whereby Mr. Dunlap and Mr. Weil first acquire the bank interest and then re-sell to Hawkeye Bancorporation.

In connection with the Newton acquisition, Hawkeye will issue five 3/4 per cent convertible secured notes for the total purchase price, convertible into Class A common stock of Hawkeye Bancorporation at \$11 per share. The Maytag and Bailey families, who were the largest stockholders, have disposed of their stock in the banks in a transaction whereby they acquired rights to an interest in Hawkeye Bancorporation.

Mr. Dunlap and Mr. Weil have granted Hawkeye an option to purchase the Kellogg bank for up to five years at their cost. They will guarantee the total capital accounts will not be less than the amount shown June 30, 1969.

### NEBRASKA NEWS

**KEARNEY:** A hearing will be held on September 11 in Lincoln on an application for a proposed state bank to be located at 110 West 22nd Street in Kearney. The application has been filed by Ralph Misco. The bank would be known as Buffalo State Bank.

### MINNESOTA NEWS

**COTTAGE GROVE:** The Comptroller of the Currency has approved the application for a charter for the Park Grove National Bank here.

**MANKATO:** Quentin Marsh has been appointed vice president of the National Bank of Commerce here. He was formerly associated with Farmland Industries of Kansas City, Mo., and

## COMMERCIAL LOAN OFFICER

Chicago Loop bank, with over 100 million dollars in assets, is seeking an experienced and marketing-oriented senior lending officer. Rather than age, maturity and sound experience in the field are important. Must be well trained, aggressive and new business minded. You will be a member of our senior lending group, working with sound policies in an atmosphere of flexibility and creativity. In addition to rapid advancement—we offer benefits, a persistent marketing program and liberal salary.

Our staff is aware of our need to add to the department; please write Chairman of the Board:

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will now direct marketing and public relations for the bank.

**MINNEAPOLIS:** James A. Watson, formerly president and currently chairman of the board of Red Owl Stores, Inc., has been elected president of the Gamble-Skogmo, Inc. He replaces Carl C. Raugust, who has been president of the merchandising company since 1963. Mr. Raugust will continue as a director and chairman of the company's executive committee. L. E. Dolan and W. H. Davies, Jr., have been named to the newly created posts of vice chairmen. F. R. Lombauer, E. O. Wack, L. W. Rixe and J. E. Gottlieb have been named senior vice presidents; Larry Kanters, vice president; C. H. Gauck, assistant secretary.

**PINE ISLAND:** F. W. Sanborn has joined the Security State Bank as vice president, cashier and loan officer. He is a graduate of the law school at the University of Minnesota and has formerly served as vice president of the First American State Bank of Grand Meadow, Minn.

**WINDOM:** James A. Clark of Fulda, Minn., has been elected assistant vice president of the First National Bank here. He will have responsibilities in the timepay department and in agricultural lending. He is a native of Spirit Lake, Iowa, and was elected vice president of the Citizens State Bank in Fulda in 1967.

## ILLINOIS NEWS

**CHICAGO:** A company formed by a group of Chicago bankers and area businessmen, headed by Walter F. Mullady, chairman of the Michigan Avenue National Bank, has made an offer to purchase up to 60 per cent of the outstanding stock of the Drovers National Bank at \$44.50 a share.

The new company, First Drovers Corporation, said it will buy up to 330,000 shares of the bank's stock, giving the offer a value of up to \$14.8

## WANTED

Experienced insurance man with banking experience preferred for \$7 million bank in southwestern Minnesota. Salary open. Send resume to Box AIR, NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309. Confidential.

million. The bank has 550,000 shares outstanding. Drovers National stock recently was quoted at about \$39 a share bid in over-the-counter trading.

William C. Cummings, Jr., chairman of the bank, said 172,681 shares would be tendered by him and members of his family, including Tilden Cummings, president of Continental Illinois National Bank & Trust Company, his brother, and their father, William C. Cummings, Sr., who was with the Drovers National Bank for almost 50 years and for many years was president.

**DECATUR:** Max C. Fox and Robert G. Munsie have been promoted to assistant vice presidents at the Soy Capital Bank here. Terry J. Brown and Charles T. Blancett have been elected assistant cashiers.

**DOWNERS GROVE:** The Comptroller of the Currency has approved the application of the Citizens National Bank of Downers Grove to locate a drive-in facility at 927 Curtis Street here.

## NORTH DAKOTA NEWS

**BISMARCK:** H. L. Thorndal, Jr., state commissioner of banking and finance, has been selected as the new president of the State Bank of North Dakota. He succeeds George M. Thompson, who is retiring on September 1, after 36 years at the bank. Mr. Thompson

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has been president since 1962. The position as president of the bank is considered one of the top appointive posts in North Dakota state government.

## SOUTH DAKOTA NEWS

**VERMILLION:** Larry L. Ticknor, executive vice president of the United National Bank of Vermillion, has announced the merger of the United National Bank of Brandon, Valley Springs and Canistota and the Lyman County Bank of Kennebec, all in South Dakota, into the United National Bank of Vermillion. The merger, approved by the Comptroller of the Currency, becomes effective August 1.

John T. Vucurevich was elected president and director; Larry L. Ticknor, executive vice president and director; Arnold L. Mikkelson, vice president and director; Harold Dwyer and Dale Clement, directors. The officers now serving the main bank and the branches will remain the same.

## MONTANA NEWS

**HELENA:** The 1970 convention of the Montana Bankers Association will be held at Many Glacier Hotel, Glacier National Park, on June 18-20.

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## COLORADO NEWS

**AURORA:** The Aurora National Bank has announced the following promotions: Frank R. Mineo to vice president; C. Edward Rougier, Jr., to cashier; Mrs. Charlotte Kingman to assistant cashier. Robert L. Sponsler, who preceded Mr. Rougier as cashier, has been made responsible for the real estate and commercial loan department at the bank.

**COLORADO SPRINGS:** Warner M. Fabian has been promoted to vice president of the East Colorado Springs National Bank. He has been with the bank since June, 1968, and previously was employed as installment loan officer at the Colorado National Bank in Denver.

**DENVER:** The Denver U. S. National Bank has announced the promotion of Richard A. Kirk to senior vice president in charge of the bank's personal banking division. He succeeds N. Berne Hart, who has been named officer in charge of the trust banking division.

**TELLURIDE:** The FDIC has approved application of the Bank of Telluride for Federal Deposit Insurance.

**WESTMINSTER:** Charter application for the proposed Bank of Westminster has been approved by the Colorado Banking Board. The bank is to be capitalized at \$450,000. Directors of the bank are Don C. Hogoboom, former president of the Security Bank and Trust Company of Casper, Wyo.; W. C. Armor, Jr., of Casper; D. J. Donovan; Bergin G. Wallin of Arvada, Colo.; Kenneth A. Platt of Westminster; Clarence Bartholic of Denver.

**WHEAT RIDGE:** The U. S. Comptroller of Currency has approved charter

application for the Wheat Ridge National Bank. Organizers of the bank include: Roger L. Reisher, president; William P. Johnson, Robert Appel, Ira C. Rothgerber, Jr., all Denver attorneys; G. C. Williams of Boulder; Dewitt G. Venable of Denver. The bank will be capitalized at \$500,000

and is expected to open in the fall. R. Kent Landmark will be executive vice president and managing officer. He has been an officer at First Westland National Bank for four years. Mr. Reisher is also president of the First Westland National Bank, the Bank of Vail and the Erie Bank.

## WANT ADS

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### HELP WANTED

Wanted, bank president for a rapidly growing midwestern bank with resources of approximately \$15 million. Offers an unusual opportunity for a well-rounded banker. Commercial lending experience necessary. We are looking for a man of ability who wants the challenge and opportunity to grow with us. Salary is in the \$20,000 to \$30,000 range with fringe benefits. Send resume and salary requirements to Box ITJ, NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

### POSITION AVAILABLE

Aggressive bank in excellent Iowa farming area has position open for bank officer with about 3-6 years of banking experience. Excellent opportunity to advance. Should be experienced in lending. County seat town. Growing bank of \$7-8 million assets. Write Box XPL, NORTHWESTERN

BANKER, 306 15th St., Des Moines, Iowa 50309.

### POSITION WANTED

Young bank officer, married, college, with several years of bank and insurance experience seeks opportunity in bank officer capacity. Write Box BDJ, NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

### ADVERTISING HELPS

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

### POSITION AVAILABLE

Iowa bank with over \$3,000,000 in installment loans has good opportunity for experienced loan officer. Write Box CFB, in care of the NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

### INCREASE 1969 PROFITS

Cy Kirk and Max Roy, vice presidents of LaSalle National Bank, Chicago, are prepared to assist you and your bank in planning increased profits for 1969. Whether it is an analysis of your bond portfolio or a cost study of your general banking services, LaSalle National Bank has the facilities to serve your every need. Call Cy or Max today at (Area Code 312) 782-5200 for immediate action.

### POSITION WANTED

Managing officer in Nebraska Bank with 16 years executive experience in bank of \$5 million desires new management opportunity in Nebraska. College and banking school graduate. Write File NVB, in care of the NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

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