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Fed Eases Ag Credit Restrictions

The Board of Governors of the Federal Reserve System has issued an amendment to its Regulation Z to make it easier for agricultural lenders to comply with the Truth-in-Lending Act and insure full and clear descriptions of farm credit transactions.

The amendment, effective immediately, provides that where the dates or amounts of payments or advances cannot be determined at the time of a credit transaction because they are tied to the needs of the farmer as they arise during the year, the creditor may disclose the method of computing the amount of the finance charge rather than a total dollar figure. At the same time, the creditor may omit disclosure of the annual percentage rate but must disclose the number, amount and due dates of the payments and the total amount to be repaid to the extent known. It should be noted that this amendment does not apply to loans for agricultural purposes where dates and amounts of both advances and repayments are known at the time of the transaction.

The Board said a problem arises because some agricultural loans are made on terms governed by production and seasonal needs that cannot be determined at the time a credit transaction is made.

For example, a bank or other lender might agree at the start of a growing season to advance money to a farmer for supplies at times and in amounts needed during the year to sow, maintain and harvest a crop. Repayment terms are frequently tied to the sale of crops. In such cases, the dates or amounts of advances or payments cannot be ascertained and consequently the amount of the finance charge, the repayment schedule and sometimes the annual percentage rate must be estimated. These estimates are, at best, crude and often misleading and in some cases have proven physically impossible to make. The amendment is designed to meet these problems, reduce the burden on agricultural lenders and insure the customer a clear and full description of his credit transaction.

Bankers Ponder Holding Company Legislation...

The defeat of a moderate one-bank holding company bill in the House will force the banking industry to alter its tactics when the measure reaches the Senate next year.

Rather than attempting to get limited easing provisions to a

moderate measure, the industry is now faced with the prospect of trying to get wholesale softening changes in a severely restrictive House bill. Until the defeat of the House Banking Committee-approved bill, the industry planned to concentrate its efforts at splitting the regulatory authority over holding companies among the three banking agencies.

Now bankers must concentrate their efforts on removing a "laundry list" of prohibited activities for holding companies and their affiliates, reinstating an acceptable grandfather clause, and striking a host of other restricting provisions.

In addition, regardless of the type of bill that emerges from the Senate, House Banking Committee Chairman Wright Patman will take a tough measure into a House-Senate conference committee and, therefore, will be in a strong bargaining position. For Mr. Patman, the defeat of the moderate bill must go down as one of the greatest triumphs in his 40 years in Congress.

Particularly troublesome to most bankers is the "laundry list" of prohibited activities, which includes mutual funds, general insurance agencies, travel agencies, accounting services,

(Continued on Page 4)

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IOWA NEWS

ACKLEY: A group of Ackley citizens has purchased controlling interest in the Ackley State Bank from Ackley Bancorporation, formerly known as the Saylor Corporation, owned by A. M. and Helen Saylor. Stanley W. Squires has been promoted from executive vice president to president. Gary Homan, formerly cashier is now vice president. Delbert C. Harken has been advanced from assistant cashier to cashier. Other businessmen involved in the purchase, in addition to Mr. Squires, Mr. Homan and Mr. Harken, are: Keith Carstens, Martin Fritz, Irvin Huebner, Harley A. Janssen, E. A. Quist and Kenneth Thompson. The new board consists of Mr. Lekwa, Mr. Squires, Mr. Cars-

tens, Mr. Fritz, Mr. Thompson, Mr. Quist and honorary chairman George Carstens.

DURANT: The Liberty Trust & Savings Bank will sponsor a Tri-County Agricultural Symposium, featuring cow-calf operations and the unused roughage potential in eastern Iowa, on November 24 in the Durant Community Building. The meeting will begin at 10 a.m.

HILLS: John R. Hughes has been named executive vice president of the Hills Bank & Trust Company. He has been practicing law in Cedar Rapids since 1964.

SIOUX CITY: David Silverberg has been appointed an account executive in the office of First Mid America Inc.



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MINNESOTA NEWS

CLOQUET: The City National Bank of Cloquet has undertaken expansion and remodeling of its present quarters. A metal facade is being erected around the second story of the entire building, and the interior of the bank is being remodeled, with the installation of new carpeting throughout the lobby and teller areas.

KLOSSNER: The Klossner State Bank recently celebrated its 50th anniversary. Victor J. Sondag, who has been with the bank for 42 years, currently serves as president.

MINNEAPOLIS: The Securities and Exchange Commission has approved sale of 140,000 additional shares of Bankers' Agency, Inc., common stock at \$10.75 per share. Proceeds from

NEBRASKA NEWS

LINCOLN: Burnham Yates has been elected chairman of the board at the First National Bank & Trust Company of Lincoln. William C. Smith has been named president, succeeding Mr. Yates, who has been president of the bank since 1950 and will continue to hold the title of chief executive officer. Mr. Smith has been executive vice president at the bank since 1966 and a director since 1967.



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MINNEAPOLIS: Robert M. Moore has been elected president of the Corporate Fiduciaries Association of Minnesota, an organization of trust companies and banks. Mr. Moore is a vice president at the Northwestern National Bank here.

MINNEAPOLIS: C. J. Tempas, president of the Green Giant Company, has been elected to the board of directors of the First National Bank of Minneapolis, according to Gordon Murray, board chairman at the bank.

MINNEAPOLIS: Philip M. Harder, senior vice president of the First National Bank of Minneapolis, has been elected president of the Minneapolis Urban Coalition. He succeeds Dean McNeal, executive vice president of the Pillsbury Company. Mr. Harder has been active with the coalition since its founding in 1967. The group is an alliance of civil rights, business and community leadership formed to help foster the progress of civil rights in Minneapolis.

ST. PAUL: John F. Currens, application specialist for First Computer Corporation, data processing affiliate of First Bank System, St. Paul, has been named vice president and cashier of the First Potter County Bank, Gettysburg, S.D. He joined First Computer Corporation in 1968.

ST. PAUL: Franklin Briese, chairman

and president of Minnesota Mutual Life Insurance, St. Paul, has been appointed the insurance industry's representative on the Mortgage Bankers Association's executive committee.

SPRINGFIELD: Willis Weber has been elected to the board of the State Bank of Springfield, replacing A. P. Rans, who has retired. Mr. Weber has been with the bank for 24 years, serving as cashier since 1968.

ILLINOIS NEWS

DECATUR: The Millikin National Bank of Decatur has installed its second Burroughs B300 computer system, valued at over \$400,000. According to Terry Guiff, data processing manager at the bank, the new computers are performing the bank's demand deposit, savings, trust, proof and transit, installment loan and payroll accounting operations, as well as work for other area firms.

KEWANEE: James Kelly and John Howes, representing Hynes and Howes Group of Davenport, have formed the Kewanee Investing Company, which has completed negotiations for purchase of the controlling interest in the Kewanee National Bank here. Officers of the new company include: Ed Parks, Annawan, Ill. - president; Mr. Kelly - secretary-treasurer; Rex McCormick and E. T. Thurman, both of Kewanee - directors.

LOMBARD: The FDIC has approved application of the West Suburban

Bank here to exercise full trust powers.

NORTH DAKOTA NEWS

MINOT: Alvin Dietz has been appointed trust officer at the American State Bank. Mr. Dietz has been employed at the bank since mid-July.

COLORADO NEWS

FLEMING: Earl L. Kramer has purchased controlling interest in the First National Bank here from M. E. Karsten.

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SOUTH DAKOTA NEWS

PIERRE: Charles Seaman, superintendent of banks in South Dakota since August, 1967, has submitted his resignation, effective December 31. Mr. Seaman is a native of Warner, S. D., and a former officer and director of the First State Bank of Warner. He will be returning to private business.

SIOUX FALLS: Construction is underway on the \$100,000 Western Bank drive-in. The new facility, to be located at 1800 West 12th Street, will be connected to the bank's main building by a tunnel.

WYOMING NEWS

RIVERTON: The American National Bank has reinstated John Benesch as executive vice president after Mr. Benesch lost his position at the bank last month following a dispute involving control of the bank. Mr.

Benesch has served as a bank officer for more than six years.

MONTANA NEWS

GREAT FALLS: The quarterly meeting of the Glacier Chapter of the Bank Administration Institute will be held December 6 at the Rainbow Hotel here. Registration will begin at 9 a.m., and the meeting will be concluded with dinner at 7:30 p.m. Speakers include: Daniel J. Barz, assistant cashier and manager, Bank-Americard department, Security Trust & Savings Bank, Billings; R. W. Anderson, assistant chief examiner, Federal Reserve Bank, Minneapolis; A. M. Greenshields, executive vice president, First National Bank, Browning; Russell K. Smith, cashier, First National Bank & Trust, Helena, and Victor R. Schlinggen, vice president and cashier, Montana Bank, Great Falls.

Holding Company Legislation...

data processing services and equipment leasing. Bankers are concerned that this provision could lead to restrictions on the activities of even non-holding company banks.

The rollback of the February 17, 1969, grandfather clause date to May 9, 1956, the date of enactment

of the Bank Holding Company Act, represents another major Patman victory. The 1956 grandfather clause date could force as many as 800 one-bank companies to divest non-bank acquisitions, depending upon Federal Reserve Board determinations of what activities are "functionally related to banking."

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