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Banks May Receive SBA Loan Incentives

The Senate Small Business Subcommittee will hold hearings this week on a series of bills to aid small business, including a Nixon Administration bill that would provide incentives for banks and other lenders to increase their commitment to small business.

The Administration measure (S. 3699) would simplify SBA guarantee procedures. SBA would get full discretion to delegate to banks the authority to make guaranteed loans automatically--provided the banks take at least 10 percent of the risk.

SBA could allow banks to use their regular loan forms rather than special SBA forms on guaranteed loans. In addition, SBA's guarantee authority would be extended to loans granted by such non-bank groups as foundations, pension funds, trusts and community groups.

The bill also proposes to partially lift the statutory ban on banks taking more than a 49 percent ownership position in any new small business investment company venture. Banks would be permitted to wholly own SBICs that invest exclu-

sively in minority enterprises, but not regular SBICs.

In addition, the measure offers Federal subsidies to cover part



of the cost of SBA-guaranteed loans made by private lenders other than SBICs. The subsidy, to be determined by SBA, would pay lenders an amount not to exceed a three percent rate, one-third the total interest rate payable on the loan or the difference between the prevailing interest rate and the SBA direct loan interest rate.

Other provisions of the Administration bill would:

1. Permit any SBIC to invest in unincorporated small business concerns.

2. Increase from 90 percent to 100 percent the amount of a loan to a small concern any SBIC could guarantee when the loan is made by another lender, such as a bank.

3. Clarify SBA's authority to guarantee funds provided SBICs and MESBICs by private lenders. This would authorize SBA to guarantee those lending to SBICs not only against default but the "timely payment" of principal and interest as well. This guarantee would include the full faith and credit of the U. S.

These provisions were part of a set of recommendations outlined by President Nixon earlier this year. The Administration bill does not contain several tax incentives asked for by Mr. Nixon. These proposals come under the jurisdiction of the House Ways and Means Committee and the Senate Finance Committee, not the Senate and House Banking Committees.

The subcommittee will also consider another bill (S. 3528) to assist small businesses in making the necessary plant and equipment changes to meet government pollution control standards and to encourage the development and utilization of new and improved methods of waste disposal and pollution control by small businesses.

A third bill to be considered is designed to increase participation of small building contractors.

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IOWA NEWS

AUBURN: The Auburn Savings Bank is observing its 50th anniversary and 50 years of active association with the bank for its president, H. C. Bruns. The anniversaries will be recognized by an informal open house Saturday, June 20, from 1:00 p.m. to 5:00 p.m.

DAVENPORT: Dyer H. McCowen has been appointed a specialist in municipal bonds in the Davenport office of Dain, Kalman & Quail, Inc.

DAVENPORT: Richard L. McNurlen has assumed the position of director of new business development for the Northwest Bank & Trust Company.

DAVENPORT: The Davenport Bank & Trust Company recently opened its temporary bank office at 38th and Kimberly. Construction of a permanent branch facility is scheduled to begin later this year.

DES MOINES: Stanley R. Barber, president of the Wellman Savings Bank, has been named to a post on

the State Board of Public Instruction by Governor Robert D. Ray.

DES MOINES: Larry Houston is leaving the Iowa Banking Department to move to Alaska.

FORT MADISON: Rollin J. Hopkirk has been elected vice president of the Iowa State Bank and Robert N. Johnson, Jr., has been elected to the bank's board of directors. Both positions were vacated by the recent death of Harry J. Schroeder, Sr.

GRUNDY CENTER: Construction has begun on the new circular Farmers Savings Bank. The 4,356 square foot structure is to be completed next year: Uni-Services, Inc. of Hampton is general contractor.

JEWELL: The Farmers State Bank has announced the election of Dr. C. L. Nelson, a local veterinarian, and Ralph Draper, a former implement dealer with varied business interests, to the bank's board of directors.

The majority stock in the bank has been transferred from the G. C. Rorem Scholarship Trust to the Hill Investment Co. with Dwayne Hill the principal stockholder. David Hill is executive vice president of the bank.

LE MARS: The First National Bank's board of directors has announced acquisition of three business properties in downtown Le Mars.

PERRY: Funeral services were held Friday for Edward E. Case, 45, examiner for the Iowa State Dept. of Banking. Mr. Case died of a heart attack following a golf game in West Union. He served the dept. since 1959, and had been in Burling-



ton, West Union and most recently Des Moines.

NEBRASKA NEWS

DAVENPORT: Approval has been received for the Jennings State Bank to change location of its main office.

GRAND ISLAND: Floyd J. Sager, formerly business manager of Midland Luther College at Fremont, has joined the staff of Commercial Bank & Trust Co. as commercial loan officer.

MILLARD: Grove Nelson, board chairman of the Bank of Millard, has announced the following appointments: S. John Bednar and Mrs. Irene Krueger, assistant cashiers, and Leah Hiatt, supervisor of the proof transit and demand deposit advertising department.

OMAHA: The U. S. National Bank's new drive-in office at 20th and Farnam opened for business last Monday. The new main bank is opening today (June 15) on 20th between Farnam and Douglas.

OMAHA: The U. S. National Bank has announced the promotion of Edgar M. Morsman from commercial loan officer to vice president. David C. Koenigsmann, manager of the credit review section in the loan division, and Noble E. Vosburg, manager of the Master Charge credit card department, have been named assistant vice presidents.

OMAHA: F. Phillips Giltner has been elected president of the First National Bank. Mr. Giltner has been serving as executive vice president and director of the bank. His previous banking experience includes several years as a banker in Missouri and North Dakota.

ILLINOIS NEWS

CHICAGO: Allan W. Pallante, formerly assistant cashier, has been



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elected vice president and cashier at the Bank of Ravenswood.

CHICAGO: John P. Hoffman, senior vice president, and John B. Landry, Jr., trust officer, have retired after 46 years of service at the Continental Illinois National Bank & Trust Co.

DOWNERS GROVE: Henry A. Besser has been elected chairman of the board to succeed the late Ralph B. Graham at the Downers Grove National Bank. W. Blair Grames, Jr., has been appointed auditor.

MT. VERNON: A charter has been issued to First Bank and Trust Co., 123 So. 10th Street, as a result of a conversion of the First National Bank to a state bank.

STERLING: An application has been filed for a permit to organize a new state bank. It would be called the Lincolnway State Bank, to be located at 2800 East Lincolnway St. in Sterling. Total capitalization would be \$400,000.

MINNESOTA NEWS

ALEXANDRIA: Bank officials and many of the area's prominent citizens participated in recent groundbreaking ceremonies for the new First National Bank building.

AUSTIN: The Northwestern State Bank recently held "Clarence Smith Day" to honor its vice president who is retiring after 43 years of banking, 20 of them in Austin.

BUHL: Charles W. Moore has sold the controlling interest of the First National Bank and resigned as its president and as a member of the bank's board of directors.

CALEDONIA: T. E. Jaeb, president of the Caledonia State Bank, has sold his bank interest to the firm of Adams & Associates. Mr. Jaeb will



George Harnagel

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step down as president, and will be succeeded by Edward Tetrault, vice president of the Farmers and Merchants State Bank of New Ulm.

DULUTH: Three promotions have been announced at the Northwestern Bank of Commerce. Robert R. Skinner, cashier, has been promoted to vice president and trust officer. Donald E. Snyder is now vice president and cashier. Donald A. Kimmel has been named vice president in the loan department.

HANSKA: Alfred M. Paulson, formerly executive vice president, has been elected president of the State Bank of Hanska. He replaces Albert G. Anderson who died recently after 61 years with the bank.

MINNEAPOLIS: The Minnesota Bankers Association annual convention is now in session at the Hotel Leamington. Featured speakers include ABA President Nat S. Rogers, noted economist Dr. Walter Heller, and former Olympic champion Bob Richards.

SAUK RAPIDS: Kenneth A. Leyk has been promoted to cashier of the Northwestern State Bank, according to an announcement by Keith E. Winge, bank president.

WYOMING NEWS

TORRINGTON: The grand opening of the new Citizens National Bank was held Saturday, June 13. The

bank was originally founded in 1819.

NORTH DAKOTA NEWS

LARIMORE: Keith Goulet has joined the staff of the Elk Valley State Bank as cashier. He previously was employed at the Alexandria State Bank, Alexandria, Minn., in a similar position.

SOUTH DAKOTA NEWS

ABERDEEN: N. Tomas Wiedebush has been elected assistant cashier of the Aberdeen National Bank. Mr. Wiedebush began his banking career with the Aberdeen National in 1967.

LEAD: Dick Teeslink has been elected assistant cashier and assistant manager of the Lead office of the First National Bank of the Black Hills. Mr. Teeslink has been with the bank since 1966.

OTHER AREA NEWS

ST. JOSEPH: H. H. Broadhead, Jr., will become president First Stock Yards Bank, July 1, succeeding the retiring Thos. J. McCullough. "Beanie" Broadhead has been with the bank since graduating from Missouri U. in 1939, and has been vice president and a director since 1954. Mr. McCullough, president since 1954, will continue as a director following his retirement.

In a related action, John Karn, cashier, was advanced to vice president and cashier.

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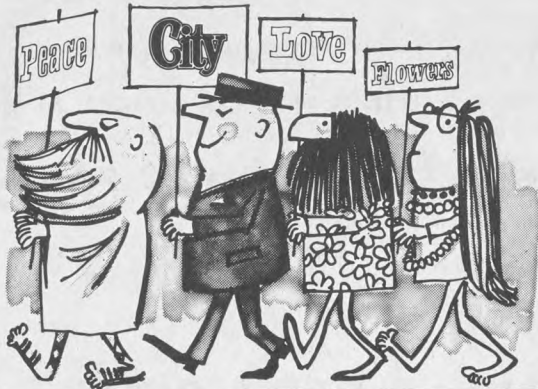
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COLORADO NEWS

DENVER: M. Stanley Hendrickson, president of Midwestern Financial Corp., has announced executive staff appointments. Gordon A. Morphew, John A. Fortune, and Lorne L. Scofield have been appointed vice presidents.

Mr. Morphew is with Kassler & Co., Midwestern's mortgage banking subsidiary; Mr. Fortune is president of the First National Bank in Golden, Midwestern's commercial banking subsidiary, and Mr. Scofield, who was also appointed Midwestern's secretary, has managed the holding company's data processing services, systems and procedures.

FLEMING: Controlling interest of the First National Bank has been purchased by Colorado Western Financial Corporation from M. E. Karsten.

NORTHGLENN: Application has been made for the formation of a new commercial bank, to be located just outside the city limits. The application is one of two or possibly three expected for the same general area.

Organizers of the bank include: Edward F. Hanifen, president of the Aurora National Bank; Charles R. Sillstrop, president of Montbello State Bank; George T. Sweeney, board chairman of Montbello State; Thomas A. Waters, a director of Montbello State and Aurora National,

and Leon E. Hayden, Jr., a law partner of Mr. Sweeney.

MONTANA NEWS

GLACIER PARK: Montana Bankers will convene at Many Glacier Hotel this week (June 18-20) for their 67th annual convention. Ben Haller, Editor of the *Northwestern Banker* will cover the meeting.

GREAT FALLS: Controlling interest of the Eastside Bank of Montana has been purchased by Bancorporation of Montana from Richard D. and Charles W. Rubie. The bank has deposits totaling over \$3 million.

HELENA: Thomas M. Campbell, formerly with Piper, Jaffray & Hopwood, has been elected assistant trust officer of the First National Bank & Trust Company.

HELENA: Robert F. Burke, senior vice president of the First National Bank & Trust Company, has been named a director of Helena First, Inc., downtown development organization.

Court Rules Against Travel Agents...

A U. S. Circuit Court of Appeals in Boston ruled unanimously—for the second time—that travel agents lack standing to challenge national bank competition in their business. Acting on a Supreme Court-ordered review of its March, 1969, decision, the court here upheld an earlier

District Court dismissal of a suit against Comptroller of the Currency William B. Camp and the \$114.4 million deposit South Shore National Bank, Quincy, Mass.

The High Court ordered another hearing in the case following its March ruling that data processing organizations have standing to seek court orders negating rulings by the Comptroller.

Chief Circuit Judge Bailey Aldrich distinguished between the data processors and the travel agents in a brief opinion.

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