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U.S. Approves New Mortgage Venture

For the first time anywhere in the nation, First National Bank of Minneapolis and the Northland Mortgage Company, St. Paul, have received Federal approval of a unique joint venture to offer government guaranteed mortgage securities.

According to President George H. Dixon of First Minneapolis, and Thomas J. Melody, president of Northland Mortgage Company, the two firms will offer the securities to institutional investors interested in mortgage investment as a vehicle but unable or unwilling to handle the paperwork normally associated with mortgage investment.

The plan works like this: First Minneapolis and Northland Mortgage will each establish a pool of \$2 million FHA, VA or Farmers Home Administration backed loans. Investors wishing to participate in these mortgages will purchase debt securities, the effective yield rate to be negotiated at the time of the sale. First Minneapolis will act as custodian for the \$4 million pool and will be responsible for the administration of the pool.

The investment security will be guaranteed by the Government National Mortgage Association (popularly called Ginnie Mae) both

as to ultimate and timely payment. Investors, therefore, are relieved of the responsibility of handling paperwork and of the risk involved when mortgage payments are not made on time.

Payments to investors will be made on a fixed schedule regardless of the status of the mortgage collections.

Stanley E. Holmberg, vice president in charge of the real estate loan department at First Minneapolis, and Mr. Melody stated that a primary purpose of the joint venture is to make more funds available for mortgages.

"These mortgage-backed securities are designed to attract much needed new capital into the housing market," they said. "The securities should be particularly attractive to pension funds and government retirement funds which don't have the mortgage trained staff ordinarily needed to handle the voluminous documentation in a portfolio of mortgages."

The two men explained that the securities in their program will be sold for a minimum denomination of \$250,000. They noted that their program should be especially attractive to retirement funds interested in encouraging home building in the local area. "These

mortgages will be on houses right here. The buyer of these government backed securities knows that he's encouraging Minnesota's economic growth."

Mr. Holmberg predicted that the new government guaranteed pooled mortgages will virtually eliminate the practice of purchasing individual mortgages by institutional investors. "It's just too easy for a pension plan to do it this way. They've got iron clad guarantees, no paperwork, and no payment fluctuations at all, coupled with the ability to help their local home building market."

The First Minneapolis-Northland announcement is significant nationally since it was the first joint venture approved in the United States. Until now all of the issuers of the new mortgage securities have been mortgage bankers, like Northland. First Minneapolis is the first commercial bank to become both an issuer and a custodian of the mortgage pool in the Upper Midwest.

The securities are being offered under authority created by the Housing and Urban Development Act of 1968.

Several Eastern banks also have expressed interest in the securities, Mr. Holmberg said, and he is already putting together another pool offering.

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IOWA NEWS

ALTON: A 100% stock dividend was declared at the Alton Savings Bank, increasing capital from \$52,500 to \$105,000. Transfer of this amount was made from the surplus account.

ARLINGTON: Paul Schuchmann, Jr. has been named director of the Arlington State Bank. He will fill the vacancy caused by the death of John Thompson.

BLOOMFIELD: Funeral services were held here recently for John M. Garrett, 77, president of the Davis County Savings Bank. Mr. Garrett has led a long life of service to his community and country.

BURLINGTON: Robert C. Matsch recently joined the staff of the First National Bank as assistant trust officer. Mr. Matsch has spent the past 20 years as business manager for Dane Morgan and Associates.

CLINTON: Iowa State Savings Bank is opening its new Clover Hills office this Tuesday, September 8. The new branch is located in the Eagle Food Center shopping complex at 13th Avenue North and 11th Street. Albert Heoepner, assistant cashier, will serve as supervising officer of the branch.

CLINTON: Myron Weil, president of the First National Bank, has announced the promotions of three staff members. Howard K. Knutson has been named vice president and is in charge of the loan department. Charles E. Ertzinger, farm services representative, and Raymond G.

Tiedje, a loan officer, have been named assistant vice presidents.

DES MOINES: James B. Smith, mortgage vice president of Equitable of Iowa since 1964, has been renominated to the board of governors of the Mortgage Bankers Association of America.

DES MOINES: Robert J. Sterling, president of Bankers Trust Co., has announced the promotions of three officers. Chris J. Pappas, vice president, has been named to head the commercial loan department. He was formerly in charge of the credit department. R. Robert Reed, formerly manager of the installment loan department, will be vice president in the correspondent banking department. Jerry G. Jones, a computer systems officer, was promoted to vice president and sales manager of the data processing center.

FORT DODGE: J. Gerald McTigue, district agent for Northwestern Mutual Life Insurance Co., has been elected to the board of directors of The State Bank.

HARLAN: Donald D. (Si) Mathiasen, executive vice president of the Shelby County State Bank, has filed nomination papers to the board of directors of Iowa Western Community College in Council Bluffs from district 9. Mr. Mathiasen is president of the Harlan School Board.

MANLY: The board of directors of the Manly State Bank have announced the election of R. H. Isensee as president and director. William Park and Larry Moore were named vice presidents and directors of the bank.

MARION: Farmers State Bank President Morris F. Neighbor has announced the election of Douglas N. Neighbor as installment loan officer.

PALO: Loyal (Doc) Melton has been named vice president and director of the Palo Savings Bank. New staff members at the bank are Carroll Eugene Parker, farm and customer representative and Lana Hite, a secretary in the insurance department.

POLK CITY: William P. Siglin, Jr. was recently named a cashier at the Polk City Savings Bank. Mr. Siglin, formerly an assistant cashier, serves as a farm representative.

SWEA CITY: Greg A. Mohr is joining the staff of the Swea City State Bank this week. Mr. Mohr attended Buena Vista College at Storm Lake for two years and has been very active in 4-H work.

WALKER: The board of directors of the Walker State Bank have appointed Mrs. Ragine C. Meade, head bookkeeper, as an assistant cashier. Mrs. Meade has been with the bank for 14 years.

NEBRASKA NEWS

The first of six group meetings conducted by the Nebraska Bankers Association will be held Wednesday, September 9, when group 6 convenes at the Scottsbluff Country Club. Registration is at 2:00 p.m. Group 5 will meet on Thursday, September 10 at the Holiday Inn in North Platte.

Dates and locations of other group meetings as listed in the September *Northwestern Banker* now in the mail, are: Group 4 — Monday, September 14, Clarke Hotel, Hastings; Group 3 — Tuesday, September 15, The Elks



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(Supplement to Issue of September 7, 1970)

CONFIDENTIAL SURVEY on Officer Salaries and Income

So the results of this survey can be completely accurate, we request that just one officer from each bank answer and return this questionnaire. Replies are requested only from banks of less than \$50 million deposits. After answering the questions on both sides of this page, please fill in the information requested at the bottom of the second page and return to the NORTHWESTERN BANKER at the above address. If you have any officer titles other than those shown below, please enter them and give the information asked for in the chart. You need not sign your name or the name of your bank. All replies will be kept confidential.

1. Will you please list appropriate figures for officers of your bank under each heading applicable (please designate with "X" the managing officer of the bank):

	<u>ANNUAL SALARY</u>	<u>BONUS AND FRINGE BENEFITS</u>	<u>INSURANCE EARNINGS</u>	<u>DIVIDENDS</u>	<u>TOTAL</u>
Chairman.....	\$	\$	\$	\$	\$
President.....					
Exec. Vice Pres.....					
Senior Vice Pres.....					
Cashier.....					
Vice President.....					
Vice President.....					
Vice President.....					
Asst. Vice Pres.....					
Asst. Vice Pres.....					
Asst. Vice Pres.....					
Asst. Cashier.....					
Asst. Cashier.....					
Asst. Cashier.....					
Asst. Cashier.....					
Trust Officer.....					
Asst. Trust Off.....					
Auditor.....					

2. What changes will you recommend to your board in the above schedule at the next annual meeting?
Comment:

(Turn to back of page, please)

3. Do your present salary schedules attract the kinds of officers you want for your staff? Yes _____ No _____
Comment:

4. What comparisons, if any, do you make to arrive at salary adjustment:

- A. With other banks?
- B. With other businesses in your area?
- C. With union scales?

Please comment on what comparisons you make; how you check with other sources on salaries being paid; how frequently you do this:

5. What other comments would you like to make about compensation of bank officers?

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Club, Norfolk; Group 2 - Monday, September 21, The Pathfinder Hotel, Fremont; Group 1 - Tuesday, September 22, The Lincoln Hotel, Lincoln. All meetings will start at 3:00 p.m.

Featured speakers at the group sessions will include H. L. McKibbin, NBA president, and George Nigh, Lieutenant Governor of Oklahoma.

FREMONT: William R. Hunter, manager of George Hormel and Company, has been elected to the board of directors of the Fremont National Bank.

LINCOLN: Application for a state bank charter has been filed with the State Banking Department for the proposed Lincoln Bank East. Chief applicant is Glenn Yaussi, chairman of the National Bank of Commerce. Mr. Yaussi said that the new bank, to be located at 70th O Street, would eventually become an affiliate of National Bank of Commerce.

LINCOLN: The National Bank of Commerce has taken options on real estate to allow for expansion at its present location in downtown Lincoln.

NEBRASKA CITY: The strike by about 18 female employees of the Otoe County National Bank was still in progress last week. Negotiations were at a standstill, no further meetings were scheduled, and pickets were still parading in front of the bank. Customers were being served as usual with no interruption of service.

OMAHA: George E. Knack has joined Piper, Jaffray and Hopwood, Inc., in the Omaha office. Mr. Knack was previously vice president and Omaha branch manager of Dain, Kalman and Quail, Inc. Prior to that he was senior vice president and director of sales for J. Cliff Rahel and Co., which was sold to Dain, Kalman and Quail last year.

PAPILLION: The Bank of Papillion recently celebrated its 90th anniversary serving cake and coffee during banking hours.

cal Society, was the featured speaker at the dedication of the restored Steele City Bank. Restoration of the bank, one of three buildings representing 1890 era, began in February and is the first building to be opened for viewing.

SYRACUSE: An open house was held last week in the newly remodeled and expanded facilities of the First National Bank. The area of the bank was nearly doubled by the expansion, according to bank President Otto H. Wellensiek.

SOUTH DAKOTA NEWS

ABERDEEN: William E. Nelson has been elected assistant vice president and trust officer of Aberdeen National Bank. Mr. Nelson, a graduate of the University of North Dakota, joined the bank as a trust officer in 1965.

MINNESOTA NEWS

AUSTIN: The Northwestern State Bank will host a banker's stag on September 22 for a preview of the bank's new facility. It will be followed by a social hour and dinner at the Austin Country Club.

GLENCOE: The Security State Bank has moved into temporary facilities while an expansion and remodeling takes place at the main bank.

HASTINGS: Mason Murch, Jr. has been appointed loan officer of the First National Bank, according to James P. Kayfes, executive vice president. Mr. Murch is a veteran of 18 years in banking and finance in the St. Paul area.

MINNEAPOLIS: Three Midland National Bank officers participated in summer sessions at the Graduate School of Banking at the University of Wisconsin. William R. Chapman, chairman, is a member of the school's faculty, being an instructor in advanced credit analysis. John P. Knutson, president, lectured on problem credits. John O. Anderson, Jr., assistant cashier, attended as a first year student.

NEW BRIGHTON: Harold J. Pohlad, First State Bank president, has announced the appointment of Donald Ross as assistant vice president and Marvin Peterson as cashier. Mr.

Ross heads the bank's installment lending department while Mr. Peterson serves as personnel, operations and loan officer.

ILLINOIS NEWS

BELLEVILLE: Directors of the \$20 million deposit St. Clair National Bank here and the \$63 million deposit First National Bank of Belleville have agreed to merge the two institutions.

CHICAGO: Frank E. Bauder, chairman, Central National Bank, has announced the appointment of James J. O'Brien as investment officer.

CHICAGO: James O. Kneisley has been elected vice president at the Lake View Trust and Savings Bank. Mr. Kneisley formerly was chief financial officer in the office of Minority Business Enterprises, U.S. Department of Commerce.

CHICAGO: Michigan Avenue Financial Group and First Drovers Corp. are among a group of investors which has purchased a majority interest in Lawndale National Bank of Chicago.

Michigan Avenue Financial is parent company for Michigan Avenue National Bank of Chicago, and First Drovers Corp. holds controlling interest in Drovers National Bank of Chicago. Controlling interest in Lawndale National was acquired from M. J. Freed, bank chairman, and a group he heads.

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are Raymond J. Allen, president of International Industrial Leasing Co.; Anthony Antoniou, Chicago real estate developer; Richard J. Fencil, industrialist; Joseph O. Kostner, partner in the law firm of Ettelson, O'Hagan, Ehrlich & Frankel; Urban F. Myers, new executive vice president of Lawndale National and former senior vice president of Drivers National; and Vaclav Pletka, president of Pletka & Associates, Inc., contractor and engineer.

Remaining on Lawndale's board are Mr. Freed, Edward F. Kennedy, president; and R. V. Graham, Jr., president of First Savings of La Grange Park.

Lawndale National, with assets of more than \$43 million, is at 3333 West 26th Street.

EMINGTON: Controlling interest of the Taylor State Bank has been purchased by Livingston Financial Corporation from the shareholders of the bank.

FREEPORT: David Murray recently joined the staff of the First National Bank as controller. Mr. Murray, who holds a degree in banking and finance, was formerly executive vice president of the State Bank of Rockford.

PARK RIDGE: Election of two officers has been announced at the



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Armstrong
Leo
Kane
Bob
Scott

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Citizens Bank and Trust Company. Philip E. Worth has been named vice president and manager of the commercial sales department, and James B. Thompson, Jr. has been appointed vice president and investment officer in the trust department.

PEKIN: A state bank charter has been issued to a group of local investors proposing to establish the First State Bank of Pekin. Total capitalization is listed as \$625,000.

WINFIELD: Jules Monial has been elected president and director of the bank of Winfield. Mr. Moniak has been the executive officer at the bank since October, 1969.

COLORADO NEWS

DENVER: Roger White has been named public relations director of Colorado National Bank, according to Melvin J. Roberts, chairman and chief executive officer. Mr. White was formerly employee communications editor for Great Western United, Denver.

DENVER: BankAmericard Night was held recently at a ball game between the Denver Bears and the Tulsa Oilers. BankAmericard customers were admitted free and pre-game musical entertainment was on hand for the event.

DENVER: The Denver U. S. Bancorporation, Inc., Colorado's largest financial institution, has officially changed its name to United Banks of Colorado, Inc. The corporation currently has eight member banks. Each of the affiliates has adapted the name "United Bank."

WYOMING NEWS

LOVELL: Jack Pearson, Lovell banker, has been named by Republican U. S. Senate candidate John Wold as Big Horn County campaign coordinator.

UPTON: The Union State Bank has employed Theodore J. Vore as

assistant cashier. Mr. Vore holds a degree in agricultural engineering from the University of Wyoming. He has recently been with the Wyoming State Department of Economic Planning and Development.

NORTH DAKOTA NEWS

JAMESTOWN: J. R. Bernabucci, Jr. has been appointed a director of the Stutsman County State Bank filling a position held by his late father. Mr. Bernabucci is president of the Coca-Cola Bottling Co. of Jamestown and Northern Plains Investment Company. He has been a member of the North Dakota House of Representatives since 1966.

WANT ADS

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