

NORTHWESTERN Banker

Oldest Financial Journal Serving The Central and Western States

No. 1259

Des Moines, Iowa

November 23, 1970

Predicts Drop in Home Mortgage Rate

The prime rate reduction at leading commercial banks provides clear stimulus to borrowers, according to Everett C. Spelman, president of the Mortgage Bankers Association of America (MBA).

Mr. Spelman said, "In time, single-family home mortgage rates will ease, principally in areas with ample flows of savings to financial institutions." Mr. Spelman feels that there will be a less rapid response from mortgage rates on large apartments and other income properties which more directly compete in the long-term capital market.

He said home mortgage interest rates may decline as much as a full percentage point during 1971 while bond rates and income property mortgage interest rates will decline only hesitantly and erratically. Mr. Spelman pointed out that the demand for long-term capital funds has tended to rise even faster than the rapidly increasing supplies of funds. He anticipates a 1970 total demand of about \$80 billion from corporate bonds, state and local government bonds and long-term issues of the Treasury and the government agencies.

The MBA spokesman recognized that the move by the commercial banks was necessary, but cautioned that the fight against

inflation has not been won yet. Furthermore, he continued, rapid expansion of credit could quickly reverse this downward trend in interest rates and fuel the resurgence of inflation.

He called for continued vigilance in the fiscal policies of the Federal government as another important element in reducing inflation. While expansion is anticipated in the housing market, the management of government programs should make certain that the nation gets the most for each dollar, particularly in efforts to provide low-income housing.

He said, "We have an opportunity to achieve more low-income housing per dollar if we adjust Federal programs now operating in this field. For example, the pending appropriation for Sections 235 and 236 dealing with low-income housing in the 1968 Housing Act should use existing housing, in most instances. This would provide decent shelter to more people in more communities at less pressure on the nation's resources and, therefore, less inflationary impact than can sole reliance on new construction."

Mr. Spelman said, "An Administration seeking to meet the needs for the maximum number of dwelling units for its housing

dollars will be able to meet this need more effectively through sound, reconditioned buildings than it can through constructing new low-income housing at today's high costs for labor and material."

More Prime Rate Cuts

Following on the announcement of the Federal Reserve Board that it was cutting the discount rate in six of the Fed districts and a reduction by such leading money-market banks as the Chase Manhattan Bank, N.A., New York, and the Continental Illinois National Bank and Trust Co., Chicago, a number of major banks in the *Northwestern Banker* territory also dropped their prime rate from 7½% to 7¼%.

In Minneapolis banks taking this action included First National, Northwestern National and Marquette National, followed later the same day by Midland National of Minneapolis and by two St. Paul banks, First National and Northwestern National.

In Omaha the Omaha National Bank, U. S. National Bank and First National Bank, the three largest banks in the area, all went to the 7¼% rate.

In Denver the first to cut their rates were the First National of Denver, the United Bank of Denver and the Colorado National Bank.



Correspondent services? Talk to the people
at "the pacesetter bank."

"the
pacesetter
bank"

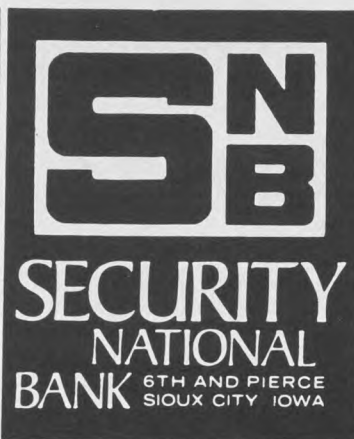


Bankers Trust Co.

SIXTH AND LOCUST, DES MOINES

Member: Federal Reserve System and Federal Deposit Insurance Corporation

more bank
for your
money.



IOWA NEWS

CORWITH: John W. Puffer, who had been a director of the Corwith State Bank for about three years died on October 31 of a heart attack. He was 57.

DECORAH: Construction began recently on an addition to the Decorah State Bank that will double the size of the bank's facility. The addition, which will cost over \$500,000 and is scheduled to be completed in February 1972, will house the installment loan, agriculture, and trust departments.

FARMERSBURG: Completion before the end of the year is scheduled on renovation of the Farmersburg Savings Bank. A new facade, removal of the second story of the building, and a complete remodeling of the interior are included in the project.

INDEPENDENCE: The capital stock of the Farmers State Savings Bank has been increased from \$200,000 to \$400,000.

KEOKUK: Fred O'Brien has been elected vice president and manager of the State Central Bank of Keokuk. He has been president of the Community Bank, Galesburg, Ill., for three years.

MINGO: The Mingo Trust & Savings Bank recently held open house in celebration of its newly-remodeled

interior. The bank furnished refreshments and door prizes.

RED OAK: Donald L. McCrory has joined the staff of the Houghton State Bank. He was formerly manager of used-car sales for a local auto dealer.

TRIPOLI: The capital stock of the American Savings Bank has recently been increased from \$50,000 to \$100,000.

ILLINOIS NEWS

CARBONDALE: The FDIC has approved the establishment by the University Bank of Carbondale of a motor facility at 1105 West Main Street in Carbondale.

CHICAGO: Five new assistant vice presidents have been elected at the First National Bank of Chicago. The men and their departments are: John J. Carleton, bond department, New York correspondent office; William G. Dearhammer, commercial banking department, financial services division; Werner J. Sommer, international banking section; Martin Joseph White, international banking section; and Charles W. Wolff, administrative department, information management services division.

EVANSTON: The speaker at the First National Bank and Trust Co. of Evanston's second annual Autumn Luncheon recently was Milton W. Hudson, economist and vice pres-

ident of Morgan Guaranty Trust Co. of New York. More than 400 Chicago and suburban businessmen attended the luncheon.

GLEN ELLYN: Roland W. Blaha, state Commissioner of Banks and Trusts, will be the featured speaker at the first annual Bank Director's Seminar tomorrow at the Holiday Inn in Glen Ellyn. The event is for directors of nine banks which are clients of First Ogden Corporation of Naperville.

MINNESOTA NEWS

ELLENDALE: Franklin G. Larson, owner and chairman of the First National Bank of Ellendale, has been elected president of the bank, succeeding Mrs. L. L. Coleman who resigned recently after 50 years of service to the bank. Also elected were: James L. Comstock, as executive vice president and managing officer, and Edna B. Crabtree, as cashier.

KARLSTAD: James Sherack has joined the staff of the Karlstad State Bank in its loan department. He had been manager of the Thorp Loan and Thrift in Thief River Falls since 1957.

MANKATO: The National Bank of Commerce recently moved to its new building at Second and Mulberry Streets. The new building comprises 10,000 square feet of floor space,

READY NOW



The completely new fall, 1970, Illinois Bank Directory is now ready. Up to date listings of officers, statement figures, and other vital facts about all Illinois Banks. Plus information about Bankers' Associations and regulatory agencies. Now only \$5.00 per copy. Write the NORTHWESTERN BANKER today for your copy. The address is 306 Fifteenth Street, Des Moines, Iowa 50309.

There are so many ways we can help you
That's why over half the banks in Iowa are
— MNB correspondents

Bob O'Meara
Senior Vice President



MERCHANTS NATIONAL BANK

CEDAR RAPIDS, IOWA 52401
Member FDIC



Call on the "Performance Team"...

Uniquely prepared to handle uncommon transactions uncommonly well.

FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN

13th and M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.



all on one floor, and has a drive-in facility connected by a tunnel to the main bank and a parking lot.

in charge of bookkeeping at First West Side Bank.

name was changed to identify it as one of the family of Valley banks.

OMAHA: The Omaha National Corporation has made a tender offer to its stockholders to purchase 100,000 shares of common stock at \$20 per share. The offer will expire at January 15, 1971, unless extended.

NORTH DAKOTA NEWS

FARGO: Carl H. Cummings, Robert C. Dawson, and Dr. Laurel D. Loftsgard were recently elected to the board of the First National Bank and Trust Co.

Mr. Cummings is president of Pioneer Mutual Life Insurance Co. of Fargo.

Mr. Dawson is president of Dawson Insurance Agency, Fargo.

Dr. Loftsgard is president of North Dakota State University.

FARGO: Richard J. Hanson has joined the staff of the Term Pay Department of Dakota National Bank and Trust Co. He formerly was employed as manager of the Associate Finance Co. in Fargo.

LANSFORD: An open house was held recently to celebrate completion of the new branch office building of the American State Bank. The new building, which cost \$30,000, measures 25 by 40 feet.

MONTANA NEWS

HAVRE: John L. MacDermond has retired as senior vice president of the First National Bank. He had been with the bank since 1955, serving as vice president, senior vice president, and director.

SOUTH DAKOTA NEWS

LENNOX: The name of the Exchange Bank of Lennox has been changed to the Valley Exchange Bank. The

COLORADO NEWS

ADAMS COUNTY: The Administrator of National Banks has disapproved the application for a charter for an unincorporated area of Adams County. The agent for the application was David Ferguson.

BOULDER: The Administrator of National Banks has approved the establishment of a branch by the Boulder National Bank at 3829 Arapahoe Ave., Boulder.

STERLING: Colorado CNB Bankshares of Denver has announced plans to acquire control of the First National Bank of Sterling, subject to approval of the Federal Reserve Board. Charles W. Kirk, an assistant vice president in the agricultural loan department of Colorado National Bank, Denver, has been elected to the board of the Sterling bank. Control of the Sterling bank would be through an exchange of stock of the bank holding company and the Sterling bank.

WYOMING NEWS

CHEYENNE: Howard A. Chapin has been named senior vice president and trust officer at Cheyenne National Bank. He was formerly vice president and senior trust officer of the First National Bank & Trust Co., Lincoln, Nebr.

CHEYENNE: Vance Graham, Jr., has

MINNEAPOLIS: John S. Pillsbury III and William T. Turner have been promoted to assistant vice presidents of the commercial banking group at First National Bank, and Gerald L. Reichwald to investment officer in the trust and investment banking group.

MINNEAPOLIS: George G. Magnuson, John S. Irons, and Ralph L. Brown have been promoted from assistant vice presidents to vice presidents at Midland National Bank.

MINNEAPOLIS: John W. Peyton has been appointed a registered representative in Minneapolis for Dain, Kalman & Quail, Inc., Minneapolis investment banking firm.

RUTHTON: Lowell Dorn has joined the staff of Farmers & Merchants State Bank. He had been cashier at the Farmers State Bank in Lake Benton.

NEBRASKA NEWS

FAIRBURY: Irl Else, chairman and former president of the Fairbury State Bank, died recently in an Omaha hospital following an illness of several months. Mr. Else, 77, had been associated with the bank since its founding in 1936.

OMAHA: The West Omaha National Bank announced recently that it plans to expand its present 6,500 square feet of floor space by about 50%, taking over more of the Lakin Building where it is presently located. It will be the fourth expansion for the six-year-old bank.

OMAHA: Richard O. Lines has been named an assistant vice president



*We're here to help
you get what you want*

**IOWA-DES MOINES
NATIONAL BANK**

Bob Buenneke

Member Federal Deposit Insurance Corporation

Digitized by FRASER
<https://fraser.stlouisfed.org>
Federal Reserve Bank of St. Louis



YALE BANKLOCK SERVICE

DIVISION

F. E. DAVENPORT OFFICE
2066 FARNAM ST.
OMAHA, NEBRASKA 68102

YOUR STATE BANKERS ASSOCIATION
SPECIALISTS IN SALES AND
SERVICE OF SECURITY EQUIPMENT



A professional service to
the financial community

Bank Design
& Remodeling

uni-service, inc.

Box 333 Hampton, Iowa 50441
Call Collect 1-515-456-4640



COULSON CANNON AND SELBY

Three of our men
on your side at



Fred Coulson



Tom Cannon



Bob Selby

COMMERCE BANK of Kansas City

been elected executive vice president of American National Bank. Prior to joining American National he was senior vice president of the Southwest National Bank in El Paso, Tex. He has had more than 20 years in banking.

CHEYENNE: Robert L. Sutter has joined East Cheyenne National Bank as assistant vice president and manager of the installment loan department. He is a former loan officer at Wyoming National Bank in Casper.

EVANSTON: Mrs. Dorothy Ann Becker of Santa Monica, Calif., has pleaded guilty in U. S. District Court in Cheyenne to attempting to hold up the Stockgrowers Bank of Evanston on August 28. Donald E. Donohoe of San Pedro, Calif., was wounded in the attempt and is in a federal hospital in Springfield, Mo.

LUSK: Herman E. (Hep) Pearson has joined the Stockmans National Bank as vice president of agricultural and commercial loans. He had been with Cheyenne National Bank for two

years as vice president of commercial and agricultural loans.

WANT ADS

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

EXECUTIVE GIFTS

We have -
TV Calculators
Stereo Dictating Machines
Sony Radios Tape Recorders
- priced from \$13.95 to \$2,400.

Contact:
Economy Service Co.
Tom C. Hutchinson
1115 High Street Des Moines, Iowa
Telephone (515) 244-0114

FOR SALE

Four inch thick vault door and modern four window teller unit - for information call or write Earl F. Kooker & Associates, Bank Design Consultants, Spencer, Iowa. Phone (712)262-1499.

WANTED

Used steel letter-sized-drawer vault file cabinet. W. W. Reynoldson, Osceola, Iowa. Telephone (515) 342-2157.

POSITION WANTED

Ready to retire but concerned about who can take over? Aggressive, community minded bank officer, age 37, with nine years experience ready for top position. Write File BKK, in care of the NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

POSITION WANTED

4 to 1, you could use a farmer, teacher, loan representative and district sales manager in your bank for the price of making banking a career for W. D. Coffey, 1243 24th Street, Ames, Iowa 50010. Resume available.

WANT TO PURCHASE

Controlling interest of up to \$10 million bank by experienced banker. Write File DDB, NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

AVAILABLE

Cash-Flow Budget and Farm Loan Application forms for the banker who wants to update his farm loan procedures. Samples for inspection. Farm Business Council, Inc., 1300 Hagan, Champaign, Illinois 61820.

LASALLE helps you pass the service charge along to your customer. LaSalle will be glad to provide a photocopy of each check, front and back, for your customers who deposit non-par items with you. Call Cy Kirk or Max Roy at the LaSalle National Bank in Chicago today. Telephone 312/782-5200.

- I would like to sell my majority bank stock.
- I would like to buy majority bank stock.

Please Contact: J. Mason Henry, Pres.
CHARLES E. WALTERS CO., INC.
P. O. Box 1313, Omaha, Neb. 68101
Phone: (402) 553-6400

Northeast Iowa Banks

When you're ready for it, make an appointment to see our computer compute. It can solve a lot of problems for your bank. When your bank needs this or any other service, call Bill Rickert or Ken Young.

nb National Bank of Waterloo

“ “ “ “
Bank Under the Big C “The Bank That Cares”
CENTRAL NATIONAL BANK AND TRUST COMPANY
Member Federal Deposit Insurance Corporation

No. 1259 Northwestern Banker is published five times monthly (including magazine issue) 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.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis