

## Propose Fair Credit Billing Act

With bankers still shaking their heads over the provisions in the Fair Credit Reporting Act, which became effective April 24, a new more comprehensive measure dealing with consumer credit practices has arrived on the scene.

Described as possibly the most comprehensive measure dealing with consumer credit practices, the Fair Credit Billing Act (S. 652) introduced by Senators William Proxmire of Wisconsin and Edward Brook of Massachusetts, it would amend the Consumer Credit Protection Act. The following provisions of this measure give some idea of its rather far-reaching nature.

It would (1) require creditors to investigate and respond to inquiries about billing errors within 30 days, or forfeit the amount in dispute; (2) prohibit creditors from threatening consumers with an adverse credit rating while a billing dispute is being investigated; (3) require creditors operating revolving credit plans to mail out their monthly statements at least 21 days prior to the time the consumer must make a payment in order to avoid a finance charge; (4) prohibit creditors from using

the previous balance method on their revolving charge accounts; (5) prohibit creditors from imposing a minimum charge on their revolving charge accounts; (6) prohibit banks from using the funds in a customer's checking account in order to satisfy credit card debts; (7) require creditors to credit payments on revolving charge accounts on the date the payment is received; (8) require creditors to promptly credit consumers with any excess payments they might make on their revolving charge accounts and to refund any excess payments if requested; (9) nullify the holder-in-due course doctrine in credit card sales; (10) allow retailers to offer cash discounts to consumers notwithstanding agreements to the contrary between the retailer and the issuer of the credit card; (11) require creditors to disclose a brief description of all items purchased during the month and to identify the store involved; and (12) require creditors to disclose on the monthly billing statements an address and telephone number to be used by consumers in the event that they have any questions concerning the accuracy of the bill.

## Minneapolis Hosts Bank Marketing Regional

"Expanding Sales Profitably in the '70's" is the theme for the Bank Marketing Association's Regional Conference, scheduled for May 19-21 at the Radisson South Hotel, Minneapolis.

Gordon M. Malen, assistant vice president, First National Bank of Minneapolis, is the chairman for the event. First get-together will be an "Early Bird Reception" at 6:00 P.M. on May 19. The formal program will start at 9:00 A.M. on May 20. The meeting will conclude with a luncheon on May 21.

The meeting is open to both members and non-members of the Association. Registration fee is \$50.

## Credit Life Hearing Is Held

A scheduled hearing on the credit life insurance business in Iowa was convened in Des Moines at 10 a.m. Tuesday, May 11, by Iowa Insurance Commissioner Lorne Worthington. Commissioner Worthington earlier had notified 150 insurance firms and other interested parties of the hearing to discuss 12 points concerning credit life on which he proposes to issue cease and desist orders. Besides

(Continued on back page)

**The only correspondent Bank  
you'll really ever need.**



**Central National Bank & Trust Company**

LOCUST AT SIXTH AVENUE, DOWNTOWN DES MOINES, PHONE 243-8181

MEMBER F.D.I.C.

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

John Mangold  
Senior Vice President



**MERCHANTS NATIONAL BANK**

CEDAR RAPIDS, IOWA 52401  
MEMBER F.D.I.C.



**IOWA NEWS**

**ALDEN:** Mr. and Mrs. Leo Jorgenson of Iowa Falls have purchased controlling interest in the Alden State Bank from E. L. Ackerman. Mr. Jorgenson is president of the Citizens State Bank in Iowa Falls. He will succeed Mr. Ackerman as president at Alden, and the bank will continue to operate as an independent bank. Mr. Ackerman will continue his legal work. W. D. Cate, executive vice president, will devote full time to insurance.

**DUNLAP:** F. C. (Cecil) Smith, chairman, Dunlap Savings Bank, died May 6 at the age of 71. He had been a director of the bank since 1926.

**HOSPERS:** Harold VanWettering was recently elected assistant vice president of the Hospers Savings Bank. He was formerly an assistant cashier according to A. L. Jurriaans, president.

**PERRY:** Tom Smith, president, First National Bank, will testify May 18 before a Senate committee on the Farm Credit System legislation. Mr. Smith is Iowa's member of the ABA agricultural committee.

**WATERLOO:** Contracts have been signed for the second part of a three-phase building program by the Waterloo Savings Bank. The contract is for a new drive-in facility on the property recently acquired by the bank. Completion is set for this fall.

**NEBRASKA NEWS**

**PLATTSMOUTH:** David J. Duey, president and cashier, Cass County Bank, has gained control of the bank through purchase of the entire stock of John E. Van Horne of Omaha, former bank chairman and president of Van Horne

Investments, Inc., Omaha. Albert M. Hansen, formerly a director, has been elected chairman.

**VALLEY:** Peter L. Heintzelman has been elected executive vice president and a director of the Bank of Valley. He has been with the bank since April 7 and before that was cashier of the First National Bank of Lyons.

**MINNESOTA NEWS**

**APPLETON:** Lowell Wakefield has been named executive vice president and a director of the Northwestern State Bank. He was with the Citizens Bank and Trust Company, Hutchinson, before joining Northwestern State Bank last June.

**BRECKENRIDGE:** The election of a new vice president and three new directors has been announced by the First National Bank. The newly-elected vice president is Loy Berg, a Breckenridge insurance and real estate man. The new directors are: Robert V. Schuler, a local grain buyer and operator of an elevator complex; Chester Johnson, a local implement dealer, and Oswald Lyngaas, a Wilkin County farmer. All other officers were reelected. The sale of the bank was announced recently in the *Northwestern Banker* Newsletter.

**FAIRFAX:** Donald Sell has sold his interest in the Citizens State Bank to Mr. and Mrs. M. R. Kloster of Edina. Mr. Kloster has been elected president and chairman and Mrs. Kloster has been elected vice president and a member of the board. Mr. Kloster has been in banking since 1934 and owned control of banks in Butterfield and Worthington until he sold them recently. Mr. Kloster announced that the bank will build a

new building in the near future.

**HALLOCK:** Two vice presidents were recently honored with a banquet by the staff of the Northwestern State Bank. Mrs. Alice O. Pearson has retired as vice president and cashier, and Duffy R. Nelson has resigned to become president of the State Bank of McGregor, McGregor. Mrs. Pearson had been with the bank since 1947. Mr. Nelson joined the bank in 1965.

**MC GREGOR:** Duffy R. Nelson assumed the presidency of the State Bank of McGregor last Friday. He has been vice president of the Northwestern State Bank, Hallock.

**MINNEAPOLIS:** DeWalt H. Ankeny, Jr., has been named vice president and manager of the investment department, trusts and investment management group at the First National Bank. He succeeds Harvey N. Daniels, whose advancement to vice president, economist, and senior investment officer was announced in the May *Northwestern Banker*.

**MINNEAPOLIS:** Bank Shares, Inc., Minneapolis-based bank holding company whose main affiliate is Marquette National Bank, Minneapolis, has filed with the Securities and Exchange Commission plans for issuance of a 475,000-share public offering of common stock. Underwriters include Piper, Jaffray & Hopwood, Inc., and Kidder, Peabody & Company. Part of the issue will be used to purchase an 80% interest in Olmsted County Bank & Trust Company, Rochester.

**MONTGOMERY:** Joseph F. Pany has been elected chairman at Citizens State Bank, succeeding Lyle J. Stotesbery. Mr. Pany has been a director since 1957 and is a local attorney. It was also announced that Roger Neubauer has been advanced to assistant vice president. He is in



Christy Armstrong      Leo Kane      Bob Scott

*'WE HAVE WHAT YOU WANT  
in a correspondent bank'*

**American Trust  
and Savings Bank**

9TH AND MAIN, DUBUQUE, IOWA

MEMBER: FDIC • FRB



**Is Bank  
Automation in  
Your Future?**

Call John Emmons or Homer Jensen  
at Capital City Bank  
Phone 515-244-5111



**CAPITAL CITY BANK**

EAST FIFTH AND LOCUST • DES MOINES, IOWA 50309



ALWAYS THE FIRST TO SERVE YOU

# FIRST NATIONAL BANK OF OMAHA

16TH & FARNAM - OMAHA, NEBRASKA



charge of the installment loan department and collections.

**OLIVIA:** A charter for the newly-organized American State Bank has been granted by the banking division, Minnesota Department of Commerce. Incorporators are: Charles Brown, R. J. Rauenhorst, Roger Heller, Ken Olson, and Clyde Ruebel, all of Olivia; Dave Nicholson, St. Paul; and Dick Schurtz, formerly vice president of the Bank of Willmar. Mr. Schurtz will be president and managing officer of the new bank. Construction is expected to start soon on the bank's building, which will include drive-in teller facilities and some off-street parking.

**PINE ISLAND:** Carl L. Lokker, Jr., has been elected vice president of the Security State Bank. He has been associated with the First National Bank of Le Center since last June as cashier.

**PROCTOR:** Norman L. Schroeder has been promoted from executive vice president to president at the First National Bank, succeeding J. L. Peyton, who resigned as president but will continue as chairman. Charles E. Russell was promoted from cashier to vice president and cashier.

**ROCHESTER:** MEI Corporation, Minneapolis, has agreed to the sale of the Olmsted County Bank & Trust Company to Bank Shares, Inc., Minneapolis-based bank holding company. Terms call for Bank Shares to pay a maximum of \$3,650,000 in cash for 80% of the outstanding stock. The sale is subject to approval of the shareholders of MEI Corporation.

## ILLINOIS NEWS

**CHICAGO:** John D. McDougle has been elected manager, trust investment, at Pioneer Trust & Savings Bank.

**CLINTON:** DeWitt County National Bank has been purchased by the Oberwortmann Group.

**DECATUR:** Dean E. Thom has been appointed assistant trust officer in charge of accounting operations for trust department activities at the First National Bank.

**HIGHLAND PARK:** The Bank of Highland Park has raised its loan limit for any one borrower from \$125,000 to \$150,000. The action came as a result of earnings and of the shift of \$165,000 from undivided profits to surplus, the latter now standing at \$610,000.

**MATTOON:** A permit to organize has been issued by the commissioner of banks and trusts to a group proposing to establish the "Mattoon Bank," on East Broadway in Mattoon. The bank would have capitalization of \$300,000 capital stock, \$300,000 surplus and \$150,000 reserve. The organizers, all from Mattoon, are: Melvin C. Lockard, Jewell I. Dilsaver, Richard A. Lumpkin, James L. Schaefer, Virgil R. Howell, James McBride, Frank Ronchetti, and Wilburt D. Walker.

**OAKBROOK TERRACE:** The commissioner of banks and trusts has granted permits to organize banks here to two groups. Organizers of the "First Security Bank of Oakbrook Terrace," to be located at 14th and Summit, are: James J. DiOrio, Ben-

senville; Archie R. Gagne and John J. Hamer, St. Charles; Vernon S. Hoesch, John D. Neesley, and G. Ward Stearns, Naperville; Kenneth Larrance, Highland Park, and Claude W. Youker, Jr., Wheaton. Capitalization would consist of \$300,000 capital stock, \$300,000 surplus, and \$150,000 reserve.

The other group proposes to organize the "Oakbrook Terrace State Bank," to be located at Roosevelt Road and Summit (midwest) Avenue. It would have the same capital structure as the other proposed bank. Its organizers are Robert S. Fiffer, Glencoe; James Guido, Oakbrook; Patrick Lizio, Medinah; Samuel A. Robbins, Highland Park, and Claucey Scandiff, Downers Grove.

**PEORIA:** Steven R. Koch has resigned as president of the Jefferson Trust and Savings Bank. No successor has been named.



Call  
**Jay Bordewick**  
for...

**Personal Attention  
to All Your  
Correspondent Needs**

CALL  
402  
AREA CODE

536-2000



Member Federal Deposit  
Insurance Corporation

Strengthening international banking connections and services through City National Bank's International Department has become quite a custom.



**City National Bank**  
& Trust Company  
KANSAS CITY, MISSOURI

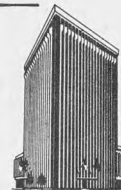
Member F.D.I.C.

# 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.



## Only Three Testify at Credit Life Hearing...

(Continued from Page 1)

the commissioner and his staff, there were 43 persons in the audience. After the Commissioner's invitation for testimony or statements by any interested parties, only one person testified—Dennis Freeman of Storm Lake, who is a member of the Iowa House of Representatives commerce committee. Mr. Freeman is an Iowa sales representative for Scarborough and Co., Chicago, a specialist firm in financial insurance.

Mr. Worthington stated that since the Iowa legislature had not acted on the department's request to deal with the credit life "abuses" he cited, his department assumed the legislature felt the present laws provide enough basis for taking action.

Included in the list of "abuses" were: loading a borrower with more insurance than the amount of the loan, continuing the policy beyond the life of the loan, post-claim underwriting, overcharging on premiums, and tying loan approval to purchase of credit insurance.

Mr. Freeman said he believes the commissioner has authority to act, but took issue with the commissioner on the point of "reasonable rates" and said that on this basis he felt the commissioner would have the matter of rate-setting resolved in a courtroom by determination of what is "reasonable." Mr. Freeman said he did not attend the hearing to debate the current \$1 per \$100 average rate charged. The Commissioner has suggested a rate comparable to the 64¢ to 75¢ charged in neighboring states.

In response to a question from

Vinton Nutt, executive vice president, Continental Western Life, Des Moines, as to the nature of complaints received, how many and from what sources, Commissioner Worthington replied that he never alleged that any complaints had actually been lodged with the department. He indicated his reasons for stipulating the 12 points for "cease and desist" were based on examinations of companies and the feeling by the department that people are intimidated because they are borrowers and are afraid to complain. "We feel it is our duty," Commissioner Worthington concluded, "when we see improper dealings in the insurance industry to correct them."

The Commissioner closed the hearing by expressing his disappointment that more persons did not come forth to testify, and over the fact that those who have been most vocal in their resistance and had the most to gain, chose not to attend the hearing or to testify. "We can only assume," he stated, "that this is endorsement of our method of procedure." He said he expects to issue orders very soon, or to notify involved parties there is no cause to proceed, after a study of the hearing testimony.

## WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.

**NORTHWESTERN BANKER**  
306 15th St., Des Moines, Iowa

### LOAN OFFICER NEEDED

Position open in Northwest Iowa country bank. Must have good agricultural background and be a self starter. Salary open. Prompt reply is necessary. Write in confidence to File



Larry Welch

*We know the importance of your bank to your community.*

*Correspond with us.*

**IOWA-DES MOINES NATIONAL BANK**

Member Federal Deposit Insurance Corporation

CNI, c/o NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

### CALL THE "INSIDE MEN"

The "Inside Men" of LaSalle National Bank, Chicago, will give you fast action on credit requests.

Call Tom Roth, Jack Ramey, Rick Anderson or Phil Butler, and find out how fast action on your loan requests can be. Our new phone number is (312) 443-2774.

### WANTED IMMEDIATELY

Man with insurance experience for 2nd position in small southern Minnesota bank. Ownership potential. Write File MBP, c/o NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

### MARKETING AND DEVELOPMENT DIRECTOR

An Iowa Bank is looking for a marketing man to be responsible for the full scope of business development including advertising, public relations and special promotions. Would prefer someone with three to five years experience. Salary negotiable. Good fringe benefits. Write File BJI, NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309

### PROTECT YOUR FARM LOANS

Send Doane's Farming For Profit monthly farm management newsletter. Latest ways to save money, increase yields and profits. Mailed direct by us with your imprint. Low cost. Free sample. D. R. Gorr, Doane Agricultural Service, Inc., Dept. 702, 8900 Manchester Road, St. Louis, Missouri 63144.

### FOR SALE

Franchise rights for use of The Living Picture and The Farm Picture in direct mail advertising and public relations. These modern newsletters talk money and credit from a banker's point of view. They help develop "Full Bank Customers"! Samples for inspection. Bank Services Incorporated, 1300 Hagan Street, Champaign, Illinois 61820.

### BANK INVESTORS

3521 Beaver Ave. Des Moines, Ia. 50310  
Phone (Area Code 515) 277-6211  
NEGOTIATING PURCHASE AND SALE OF BANKS EXCLUSIVELY

Richard C. Newlin, President

No. 1290 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25¢ 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.