

NORTHWESTERN Banker Newsletter

Vol. 1. No. 15

Des Moines, Iowa

August 16, 1971

Fed Sets Bank H.C. Insurance Rules

The Federal Reserve Board last Tuesday issued its long-awaited regulations on insurance activities that may be conducted by banks under the revised Bank Holding Company Act of 1970. It was the last clarification of 10 original proposed guidelines announced earlier by the Fed after it was assigned responsibility for administering the BHC Act.

The insurance regulations, which will be effective September 1, adds insurance to the list of businesses "closely related" to banking. This will permit bank holding companies or their subsidiaries to act as insurance agents or brokers in offices where it is conducting business, or in an office adjacent thereto, with authority to handle any insurance for the holding company and its subsidiaries, or any insurance that is directly related to an extension of credit to other financial services, or as a matter of convenience to the purchaser.

The Fed Board regulation covers insurance sold in a community with a population of 5,000 or less, or one in which the holding company "demonstrates has inadequate insurance agency facilities."

COURT GRANTS NEW BANK AT ARNOLDS PARK

The state superintendent of banking was ordered last week to allow a group of northwestern Iowa businessmen to establish a bank in Arnolds Park. The order sets a precedent in Iowa banking and casts doubt on the limit of authority held by the state superintendent.

Polk County District Judge A. B. Crouch ordered State Superintendent Collin W. Fritz to grant the application of the Okoboji Marine State Bank for permission to create a new state bank in Arnolds Park. Currently, the First National Bank, Sibley, has an office there, and under current Iowa law the office will have to be closed. A bill that would have allowed the office to remain open — even with the chartering of a new bank — failed to receive action in the legislature this year.

E. W. Al Maser, president of the First National Bank, Sibley, had made application to charter the Arnolds Park office as a separate bank. He was refused by the national banking department. Recently, he had announced plans to build new facilities for the office.

Mr. Fritz on Mar. 12 had denied the application, contending that the area could not support another state bank. The denial was appealed to District Court.

Judge Crouch ruled that Fritz' judgment in rejecting the application was "arbitrary and capricious."

According to a transcript filed with Judge Crouch of a hearing into the application, Mr. Fritz based his decision on the opinions of seven local businessmen in Arnolds Park.

Judge Crouch ruled that all of those businessmen had interests or were directly involved in the operation of banks that would be competing with the proposed Okoboji Marine State Bank.

Mr. Fritz stated that this decision will be appealed clear up to the U.S. Supreme Court if necessary.

The men seeking to incorporate the new bank are D. E. Grant, J. R. Harrison, Gail M. Richardson, Don K. Evans, Richard C. Ruth, Darlow Oleson, J. Harvey De Vries, Gerald Moeller and A. K. Ruebel.

Previous to the application, Messrs. Grant and Harrison served as officers of the Spencer National Bank.

FED INTERPRETS METHODS OF FINANCE CHARGES

The Board of Governors of the Federal Reserve System has issued a Truth in Lending interpretation relating to changes in the method of determining the balance on which a customer's finance charge is computed.

Legislation in some states has compelled creditors of open end accounts to change the method of computing finance charges. Previously, any partial payments or credits were not deducted in determining the balance upon which the finance charge was computed. In some states these payments and credits must now be deducted before computing the finance charges.

The interpretation to Regulation Z states that no prior notice to the customer is required when the method of determining the balance on which the finance charge is computed is changed in this manner, since the change will result in a reduction of the finance charge to customers who do not pay their accounts in full. Prior notice is required, however, if any other changes in terms normally requiring notification are made at the same time.



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IOWA NEWS

ALLISON: The State Bank of Allison recently held ground breaking ceremonies for a new bank facility which is expected to be completed by Thanksgiving according to Parker Schmitz, executive vice president.

ANTHON: Norma Jean Paulsen was recently named cashier of the First Trust and Savings Bank. She has been with the bank 14 years.

COUNCIL BLUFFS: Paul L. Gronstal, vice president of Council Bluffs Savings Bank, died recently at the age of 54. He had been with the bank for 25 years.

LANESBORO: J. E. Wilson, 71, Lanesboro banker for 51 years died recently following a month-long illness. He was a member of the board of directors of the Lake City State Bank and board chairman and also vice president and director of the Commercial Savings Bank in Carroll.

MARCUS: Steven J. Van Dyke was

recently elected a director of the Farmers State Bank of Marcus. He is the son of Carleton C. Van Dyke, president of the bank and is an officer of the Toy National Bank in Sioux City. Lovell D. Simons, who has been a director of the bank for 43 years and also a vice president, was appointed as an honorary director.

OSAGE: Clifford Moss, who retired from the Osage Farmers National Bank recently as vice president has announced that he has now resigned as a director of the bank.

ROCKFORD: William Tjaden has recently joined the staff of The First State Bank as assistant cashier according to T. Edward Batty, president.

SHELDON: Security State Bank has announced plans for construction of a new drive-in facility. Completion date for the drive-in has not been announced.

SPENCER: Services were held recently for Charles R. Sexton, a long-time Spencer resident and former vice president of the Farm Trust and Savings Bank of Spencer. He died at the age of 73.

NEBRASKA NEWS

LINCOLN: First National Bank of Lincoln will hold its Correspondent Bank Conference September 17 & 18 at the Cornhusker Hotel. On Friday, business sessions will be conducted all day. The Saturday morning session concludes with a buffet luncheon followed by the Nebraska-Minnesota football game which will be the second game of the season.

MINNESOTA NEWS

AITKIN: Ray Kirkhorn, president, Security State Bank of Aitkin has announced that Lorraine Malmgren has been promoted from assistant cashier to cashier; Mrs. Merrill Wise has become head bookkeeper and that Lloyd Sherwood has recently joined the bank as insurance manager and loan advisor.

BRECKENRIDGE: Wayne A. Bezenek and Bill Weber, loan department personnel at First National Bank, have recently been appointed assistant cashiers according to Bob Hertenberg, president.

COLUMBIA HEIGHTS: Philip M. Rodberg was named assistant cashier and installment loan department manager of the Columbia Heights State Bank.

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EDINA: Robert T. Wienert, vice president of Mobile Americana Corporation, and Hugh J. Hilliard, president of Hilliard Properties, have been named directors of the Edina State Bank. Mobile Americana owns the Edina State Bank.

EAGAN TOWNSHIP: Hiram Gates has been appointed vice president at the Valley National Bank of Eagan Township. Other bank promotions include those of Eric Iverson to cashier and Mrs. Joann Class and Mrs. Jeanette Johnson to assistant cashiers.

VIRGINIA: R. H. Willenbring, president of the State Bank of Virginia announced that William S. Jones has resigned as vice president of the bank.

WELLS: Peoples State Bank of Wells has recently completed remodeling at the bank according to Glenn Uggen, president.

NORTH DAKOTA NEWS

GRAND FORKS: Selmer O. Monson has been promoted from assistant cashier to assistant vice president of the Valley Bank and Trust Company of Grand Forks according to John F. Cook, executive vice president.

LIGNITE: The FDIC has approved an application by the Columbus State Bank, Columbus, to establish a branch at Lignite according to a recent announcement.

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WILLISTON: The American State Bank of Williston will have a new president after August 15, it was announced by Arley R. Bjella, counsel and director for the bank. Assuming the position of president will be John McGinley, whose resignation as vice president of the First National Bank at Hastings, Nebraska, becomes effective August 15. T. M. Davidson will be chairman of the board and it was emphasized there will be no change of ownership of the bank.

COLORADO NEWS

BOULDER: Acquisition of 92% of the outstanding shares of the National State Bank of Boulder by The First National Bancorporation, Inc., of Denver has been completed. Acquisition of National State Bank by Bancorporation previously had been approved by the board of governors of the Federal Reserve System, and the Justice Department announced it would

not seek to block the acquisition.

Named president and chief executive officer of the Boulder bank was Richard C. Meckley. He succeeds R. Veerkamp, who was named vice chairman of the board. Ralph R. Adams has been named senior vice president and senior loan officer. He had been a vice president in the correspondent bank department of the First National of Denver.

WYOMING NEWS

LUSK: Clarence Waldo Erwin, 90, Lusk banker since 1924 died recently in a Cheyenne nursing home. He was the oldest continuous banker in the State of Wyoming serving 59 years. At the time of his death he was President Emeritus of the board of the Lusk State Bank which he organized in 1924.

LUSK: Stockmans National Bank of Lusk recently completed remodeling of its bank building. A grand opening was held and was hosted by H. E. (Hep) Pearson, president; Andrew McMaster, chairman of the board and Max T. Bird, executive vice president.

ILLINOIS NEWS

DECATUR: First Nat'l. Bk. has advanced its head of the real estate dept., Herschel G. McKown, to v.p.

ELKHART: A permit to organize has been issued for the Elkhart Community

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Bank. Total capital is \$400,000. Organizers include: Louis J. Davis, Emil M. Verban and Perry Williams of Elkhart; Conrad Noll III and Glenn E. Yard of Springfield; Nick J. Fanale, Riverton; Robert F. Olson, Broadwell, and Russell L. Schafer, Middletown.

ELK GROVE: Bank of Elk Grove has advanced Josiah L. Smith to asst. v.p.

MARYVILLE: A permit to organize has been issued to the First Bank of Maryville. Total capital is \$400,000. Organizers include: W. O. Billhartz, H. H. Esterlein, M. W. Harrison II, and Marvin H. Kampe, all of Collinsville, and C. W. Harrison of Caseyville.

WOODFIELD: A permit to organize has

been issued to a group to establish the Woodfield Bank, Schaumburg. Total capital is \$1,500,000. Organizers include: Paul Brandel and A. Harold Anderson of Winnetka; Bernice Stege of Northbrook; Frank Wiley of Palatine, and Theodore W. Anderson of Schaumburg.

SOUTH DAKOTA NEWS

South Dakota bankers are making advance plans to attend the series of 1971 group meetings to be held next month. Meeting dates and places will be Gr. 1 — Sioux Falls — Sept. 13; Gr. 5 — Rapid City — Sept. 14; Gr. 4 — Mobridge — Sept. 15; Gr. 2 — Watertown — Sept. 16, and Gr. 3 — Mitchell, Sept. 17.

WANT ADS

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Vol. 1. No. 15 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.