

NORTHWESTERN Banker Newsletter

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July 17, 1972

Plan Satellite Offices for Federal S&L's

Next time you visit your local drug, department store, or supermarket you may notice a "satellite office" from a federal savings and loan association. Regulations authorizing such offices were effective as of Saturday, July 15, and the only way to stop the trend will be through legislation from individual states.

Over the strong protests of commercial bankers, the Federal Home Loan Bank Board has adopted its proposal to permit Federal S&L's to establish "satellite offices" — and has proposed another type of branching facility for good measure.

The new proposal would provide for "limited facility branch offices" of Federal associations. They would be permitted in cases where the requirements for a full branch office could not be met "but where limited operation would be warranted."

Furthermore, the limited facilities office would not be operationally tied to other offices of the association as in the case of satellite offices. Instead, the limited facility would be established in an area not already served by the S&L with the expectation that it would ultimately become a full branch.

The proposed regulation would permit an association to apply for removal of the limitations on a limited facility after such office had been in operation for two years.

Also under the proposal, the office could be subject to limitations as to number and type of personnel to be utilized; physical size and characteristics;

amount of capital to be invested; or extent of functions or activities to be permitted. However, the limited facility could be advertised as a full branch of the association.

Comments on the limited facility proposal may be submitted to the Board up to July 28. As mentioned, the approval for satellite offices is now in effect. In addition to installations in retail establishments, the regulations would also permit fully automated facilities free standing in shopping center and transportation terminals!

In general, a satellite office is a convenience office facility of a savings and loan association which is operationally related to a particular branch office or to the home office of the S&L and is located in the primary service area of the branch of home office, but in no event more than five miles away.

The adopted regulations provide for two types of satellite offices — so-called "mini-branches", located wholly within the premises of a retail sales establishment, and full-automated facilities (machines), which may be located not only in a retail store but also in a shopping center, office building or transportation terminal.

The manned satellite office is physically limited to 500 square feet of floor space and not more than one-third of the floor space of the retail establishment in which it is located. Both types of satellite offices are limited to four teller stations, or in the case of an automated facility, the equivalent of four teller stations.



PICTURE OF THE WEEK — Heading the 1st Annual Convention of the Iowa Independent Bankers in Okoboji, July 6, 7, and 8, were: Iowa Pres. **Dean A. Knudson**, pres., University B&T Co., Ames; Natl. Pres. **H. L. Gerhart, Jr.**, pres., First Natl. Bk., Newman Grove, Nebr., and Iowa St. Dir. **Robert Dixon**, pres., Rolfe State Bk. Over 100 Iowa banks were represented.

An association will be permitted up to five satellite offices at any one time, but it may apply for only two such offices in any twelve month period.

Bank Secrecy Act

A temporary restraining order deferring until July 20 the reporting requirements of the Bank Secrecy Act has been issued by a U.S. District Court in California. The order does not affect the law's record keeping requirements which went into effect July 1. On July 20 a three-judge court will rule on the merits of the challenge.

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FTC Hearings This Week on Fair Credit Interpretations

The Federal Trade Commission has set July 20 and 21 as the dates for public hearings on its five proposed interpretations under the Fair Credit Reporting Act — and has included some modifications.

Originally scheduled to go into effect May 8, FTC postponed their effective date to allow for public hearings on “important legal questions” which had arisen and “the potential economic effect upon those affected.” The interpretations are guidelines intended to clarify the act, and like industry guides, are advisory in nature. However, failure to comply with the interpretations could result in “corrective action” by the commission.

While banks are not subject to FTC jurisdiction, the commission, before issuing its interpretations, held informal conferences with the federal banking agencies and no conflicts with them are anticipated. Its interpretations are, therefore, important to banks.

IOWA NEWS

BETTENDORF: Henry T. Rutledge, chairman of Northwest Bancorporation, Minneapolis, and Ralph U. Heninger, president of Bettendorf Bank & Trust Co., have announced that an agreement in principle has been reached for an exchange of bank stock for stock of Northwest Banco.

CEDAR RAPIDS: The Iowa State Banking Board will meet here on Thursday, July 20.

CEDAR RAPIDS: Donald R. McKay, assistant vice president, is assuming business development responsibilities in the international banking department of Merchants National Bank. He replaces Rigoberto Areces, who is leaving the bank to accept a position with First Orlando Corp., Miami, Fla.

DAVENPORT: The annual Scott County Bankers Vigilante Shoot will be held Wednesday, July 19 at the Davenport Police Range in Mt. Joy. Luncheon will be served at 11:30.

OKOBOJI: Over 300 attended the 1st Annual Iowa Independent Bankers Convention here July 6, 7, and 8. Dean Knudson, pres., University B&T Co., Ames, continues as pres., and other officers and members of the executive council were re-elected. A complete report will be featured in the August magazine issue of *NORTHWESTERN BANKER*.

OELWEIN: Stephen Adams, chmn. Metropolitan St. Bk., Minneapolis, has purchased controlling interest in the First National Bank from Carl Pohlad, pres., Marquette National Bank, Minneapolis. Mr. Adams has interests in several Minnesota banks, in addition to the Metropolitan St. Bk. H. Jay Pinch will continue as pres. in Oelwein.

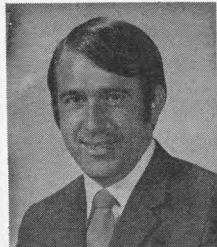
SIOUX CITY: A. R. Miller, a veteran of 49 years in the banking profession, died recently at the age of 74. He retired in 1962 from the Woodbury Bank & Trust Co., where he had been vice president in charge of revolving check credit and the bank's bond department. His son, Donald C. Miller, is president of the Community National Bank, Grand Forks, N. D.

STOCKPORT: Funeral services were held last Monday for Sam Watkins, organizer and former owner of the Iowa State Bank. Mr. Watkins helped organize the bank in 1928 and served as its president from 1932 to 1971. Mrs. Mildred Newman, who succeeded her father as president, survives.

NEBRASKA NEWS

CODY: The Federal Reserve has approved the application of Cody Agency, Inc., Lincoln to become a bank holding company for the \$2.6 million deposit Bank of Cody. The holding company currently owns the Cody Insurance Agency.

OMAHA: Robert E. Johnson resigned July 7 from The Omaha National Bank to accept the position of senior vice president of Union National Bank in Springfield, Mo. The Union National has



Larry Welch

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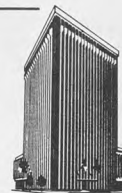
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approximately \$130,000,000 in assets and is part of a three-bank independent holding company.

MINNESOTA NEWS

LE SUEUR: The state commissioner of banks has announced that an application has been filed for a new state bank here. Among the applicants are Dale E. Hanka, president of First National Bank, Kilkenney, and L. V. Morgan, president of First National of Montgomery.

MINNEAPOLIS: First National Bank has promoted Gerald E. Bowers to bond investment officer. He previously has been head municipal securities underwriter.

OWATONNA: Charles Patterson has been promoted to vice president and the Owatonna State Bank. Mr. Patterson is head of the bank's installment loan department.

ST. PAUL: Over 400 bankers from eight states will be attending the Leaders Conference of District X of the AIB at the St. Paul Hilton Hotel July 21-22. Featured speaker for the meeting is Edward R. Gavenus, national president of the AIB and vice president and cashier at the First National Bank of Eastern Pennsylvania, Wilkes-Barre.

ILLINOIS NEWS

CHICAGO HEIGHTS: Lambert J. Ebberts has been elected president, director and chief executive officer at the Chicago Heights National Bank.

DOWNERS GROVE: The appointment of Robert W. Callis as marketing officer at the Downers Grove National Bank has been announced.

ELGIN: Robert P. Abate has been elected president and chief executive officer at the Elgin National Bank. Mr. Abate,



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who also becomes a major shareholder of the \$30 million bank, was formerly group vice president at the American National Bank of Chicago.

PALATINE: A permit to organize has been issued to a group from the Chicago area to establish the First State Bank of Illinois here at 1850 Rand Road. Total capitalization is set at \$500,000.

PALATINE: The state commissioner has issued a permit to organize to a group proposing to establish the Bank of Palatine. Total capitalization was listed as \$750,000.

SOUTH HOLLAND: Approval for a motor facility has been given by the FDIC to the South Holland Trust & Savings Bank. The facility will be located at 16350 South Park Ave.

SPRINGFIELD: A permit to organize has been issued to a group proposing to establish the American State Bank of

Springfield. Total capitalization has been listed at \$750,000.

NORTH DAKOTA NEWS

FARGO: The Fargo National Bank & Trust Co. has received approval from the Fed to relocate its main office at Broadway and Main Ave.

WYOMING NEWS

JACKSON: Dean K. Bark has been named trust officer at the Jackson State Bank. He has operated an accounting firm in Jackson since 1962.

LUSK: Wyoming Bancorporation has purchased 840 shares (out of 1,000) in the Stockmans National Bank from Enterprises Ltd.

SHERIDAN: It was announced that Delbert D. Haley has joined the Bank of Commerce as trust officer. He was formerly a member of the trust department of the First National Bank of Kansas City, Mo.

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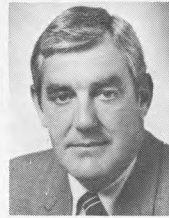
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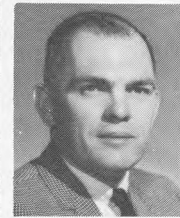
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Fred Coulson



Tom Cannon



Dick Muir

COMMERCE BANK of Kansas City

COLORADO NEWS

BOULDER: The School for International Banking is currently being held at the campus here of the University of Colorado. More than 120 bankers from across the country are enrolled in this year's session, which will run through July 29.

ENGLEWOOD: Charles R. Rees has been appointed assistant vice president at the Continental National Bank. Mr. Rees joined the bank's real estate department earlier this year.

LAKEWOOD: John Henning, Jr., has been named operations officer, and Ralph McCauley has been appointed installment loan officer at the Lakewood

Colorado National Bank. Mr. Henning was formerly with the Colorado National Bank, Denver, and Mr. McCauley was with Pacific Finance Co.

LOVELAND: The Westlake First National Bank has received approval to change the location of its head office from 1402 W. Eisenhower to 1905 W. Eisenhower.

WANT ADS

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

Instructor to teach banking courses to adult technical students. Full time position to begin this fall. Degree preferred. Experience required. Send resume to Harry Nysather, Director, Brainerd Vocational Institute, Brainerd, Minnesota 56401.

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