

# NORTHWESTERN Banker Newsletter

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February 19, 1973

## May Expand Credit Union Powers

Expanded financial powers would be granted to federal credit unions by two bills which have now been introduced in both the House and Senate and are strongly supported by the Credit Union National Association Inc.

Sen. John Sparkman (D-Ala.), chairman of the Senate Banking Committee, introduced the two credit union bills in the Senate — The National Credit Union Bank Bill (S. 412) and the Credit Union Modernization Bill (S. 401). Both bills are identical in content with House bills (H.R. 7 and H.R. 19) on the same subjects respectively.

Commenting on the bank bill (S. 412), Senator Sparkman said: "This legislation will improve the credit unions' liquidity and provide a stability that would benefit the borrower. This credit union legislation does not cost the taxpayer to implement; the credit unions pay their own way. This service-oriented program is in the interest of the taxpayer."

Under the modernization bill (401), the credit unions would have greatly expanded powers. Key provisions include:

1. Third-party payment powers, apparently stopping just short of full checking account powers: The payments mechanism apparently would not be involved.

2. Full powers "to perform trust services for members, including the ad-

ministering of trust estates for deceased members."

3. Credit card powers and the right to establish lines of credit for members. The explanation notes it will "encourage full reciprocity of credit cards in all credit unions."

4. Powers for exchange of funds between credit unions, deleting a ceiling on inter-union lending of 25% of the lender's paid-in and unimpaired capital and surplus, and authorizing unlimited deposit or purchase of shares in other unions.

5. Power to invest up to 5% of shares in approved corporate stock or bonds.

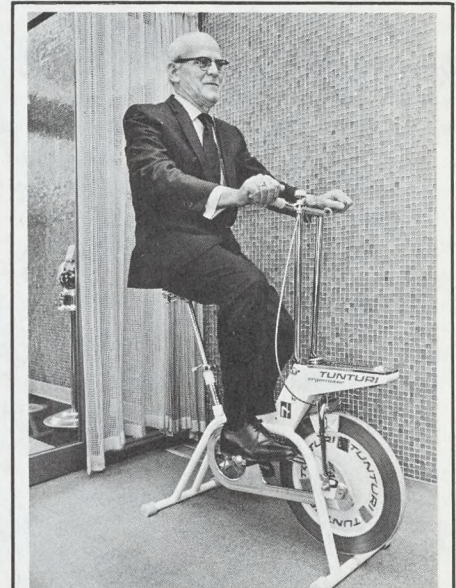
6. Removal of all restrictions in the Federal Credit Union Act on loan maturities, now 5 years on unsecured and 10 years on secured loans.

7. Deletion of the limitation on unsecured loans to members, which now is the lower of \$2,500 or 2.5% of unimpaired capital and surplus.

8. Power to purchase conditional sales contracts and similar instruments executed by members.

9. Broader rights to grant membership to, the bill's explanation points out, "assure the broadest interpretation of the common bond."

10. Removal of all limitations in the law and regulations on a union's borrow-



**PICTURE OF THE WEEK** — Walter F. Jellison, a local county treasurer for the Washington State Heart Assn., gives a few turns on an exercise bicycle in the lobby of the Bank of Everett (Washington). For every 100 miles registered on the cycle, the bank donates \$10 to the heart fund, according to William D. Carpenter, chairman of the board.

11. Power to establish deposit accounts limited to members and treated as capital, subject to conditions established by the directors.

12. Power to acquire group or individual insurance for the credit union's members.

Also under the bill, membership

(Turn to back page, please)

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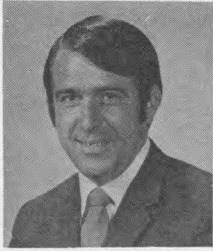


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**IOWA NEWS**

**BALDWIN:** Jack Tabor has been elected pres. of the Baldwin Savings.

**BLOOMFIELD:** Richard Nyswonger was elected v.p. & Lowell French was elected ag. rep. of the Davis County Savings.

**DES MOINES:** The annual meeting of Iowa Investment Bankers and Guests will be held Feb. 27 at the downtown Holiday Inn. Featured speaker will be Earle Bruce, new head football coach, Iowa State University in Ames. The board of governor's meeting will begin at 4:30.

**DES MOINES:** Thomas S. Kleppe, administrator, Small Business Administration, will speak at a luncheon meeting of the Iowa Bankers Association Wed., Feb. 20. The meeting will begin at 12 noon with a no host bar at the Des Moines Golf & Country Club.

**DES MOINES:** Bankers Trust Co. has advanced the following three men from commercial loan officers to assistant vice presidents: Robert A. Schiers, Donald D. Halsey, and Lyle W. Hulke.

**DES MOINES:** The East Des Moines National Bank has withdrawn its application to change the location of a bank office from 2100 Hubbell Avenue to 2540 Hubbell Ave.

**DES MOINES:** An application has been filed by the National Bank of Des Moines to establish a bank office at the north-

east corner of the intersection of Interstate 235 and 35th in West Des Moines.

**FOREST CITY:** Rodney Hill, Douglas Davis and Mrs. Kjell Bjornsen have been elected a.v.p.'s. of the Forest City B & T. Gordon L. Wold was named exec. v.p.

**FORT DODGE:** Wallace E. Hanson was promoted to v.p. & J. Wesley Strange & Alvin Pettit were promoted to a.v.p.'s at the First Nat'l.

**GRUNDY CENTER:** Hawkeye Bancorporation has announced plans to acquire the Farmers Sav. Bk., subject to regulatory approval. The purchase of the \$11 million dollar bank will be treated as a purchase with no dilution of stock. No change in officers or directors is planned. This would make the 13th bank in the system.

**KIRON:** Kiron State Bank has named E. W. Al Maser as pres. The bank has applied to move to Ida Grove. Mr. Maser has interests at Sibley, Arnolds Park, and LeMars.

**OSCEOLA:** Earl Curtis has been elected president of the Clarke County St. Bk., succeeding Keith Richard, who is now a consultant to the bank. Mr. Richard is active as exec. vice pres. of the Union Whitten State Sav. Bk., Union.

**PORTSMOUTH:** Gerald Lapke of Panama, who has served as interim pres. of State Bank of Portsmouth since the death of John Herkenrath, was named pres. Gerald Waltz was named exec. v.p., cash. & dir. and Ben Arkfeld was named chmn.

**SHELDON:** Clifford Vander Wilt has been elected v.p. of the Citizen's State and Wallace Groeneweg has been elected a.v.p.

**SPENCER:** William Griggs has been promoted to v.p. of the Clay County Nat'l. Gary Tolzmann was named installment loan mgr.

**NEBRASKA NEWS**

**BLAIR:** David D. Vaselaar has joined the Washington County Bank as a.v.p. He was formerly with the University B & T of Ames, Ia.

**OMAHA:** The First Nat'l. Bank of Omaha will hold its annual Chuck Wagon Roundup Time Thursday, March 15, at Ak-Sar-Ben Field. Dr. John Hodges, prof. of the Department of Animal Science, University of British Columbia, will speak on the economics of exotics as they affect the breeder, cow-calf man, feed lot operator, packer, retailer and consumer and he will discuss their future. On display will be examples of Europe's exotic breeds.

**LINCOLN:** The National Bank of Commerce has moved into its temporary location at 13th and N. A sneak preview of the new facility will be held starting at 4:30 p.m. and concluding at 6 p.m. on Monday, Feb. 19. Refreshments will be served and short tours will be available.

**RISING CITY:** Paul Chatelain has been promoted to a.c. of the Farmers State Bank.

**SCHUYLER:** The following changes have been made at The Schuyler State: Larry L. Bazata was promoted to v.p. and Charles P. Heavican was named a.c.

**ILLINOIS NEWS**

**CHANDLERVILLE:** A permit to organize the Peoples State Bank of Chandlerville, Main Street, has been issued. Total capitalization: \$400,000; \$160,000 in capital and surplus and \$80,000 in reserve. 16,000 shares having par value of \$10 each. Organizers: Kenneth Wayne Atterberry, Charles E. Birdsell, Burdette A. Harbison, Elmer L. Lynn, Edmund L. Nelson, George W. Vollmers, all of Chandlerville; John B. Chipman, Virginia; Conrad Noll, III, Max L. Riseman, both of Springfield.

**CHICAGO:** South Side Bank recently announced the following promotions: Stephen S. Plebanski, v.p. & cash.; Geo. W. Glasson, v.p. & aud.; Lawrence R. Finch, a.v.p., and Ann Filipovich, a.c.

**CHICAGO:** Old Orchard B & T Co. has elected Louis E. Rieger chmn. and chief exec. off., and George O. Pod, Jr., pres. and chief operating off.

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CHICAGO: Warren W. Lebeck, exec. v.p. & secy. of the Chicago Board of Trade, was elected a dir. of the Bank of Hinsdale.

CHICAGO: A permit to organize the Water Tower Trust & Savings Bank, 149 E. Superior, has been issued. Total capitalization: \$3 million; \$1,200,000 in capital and surplus and \$600,000 in reserve. 120,000 shares having par value of \$10 each. Organizers: Robert Asher, Glencoe; Richard L. Curtis, Oak Brook; Ivan Himmel, Joseph O. Kostner, Abner J. Mesirov, all of Chicago.

CHICAGO: James G. Badger, Jr., was named chmn. and chief exec. off. of National Security. Frank J. Julian was named v.p. & cash.

CHICAGO: Oscar S. Williams has been elected pres. of Guaranty B & T Co.

CHICAGO: Christian F. Henning, Jr., was named sr. v.p. & t.o. of Michigan Ave. Nat'l. Bank of Chicago.

OAK PARK: William R. Langley has been promoted to exec. v.p. of the Oak Park T & S Bank.

### MINNESOTA NEWS

Legislators, state officials and their wives or husbands will be the guests of the Minnesota Bankers Association at its 13th annual Bank Management Conference. The meeting will be held Tuesday-Wednesday, February 20-21 at the St. Paul Hilton.

Preceding the reception and dinner Tuesday will be an afternoon session entitled "Banking Legislation in the 1973 Session." This will be a panel presentation of legislative program, discussion and a question and answer period.

Thomas S. Kleppe, administrator, Small Business Administration, Washington, D. C., will address registrants Wednesday morning on "Planning for Profit Improvement." The afternoon session will include an address by Bruce K. MacLaury, president, Federal Reserve Bank of Minneapolis, and a panel on the advances in automation and future impact on bank operations. Participants will be: Richard P. Sankovitz, chairman, MBA automation committee, president, First National Bank, Waseca; Gary B. Wollan, senior vice president, Marquette National Bank, Minneapolis, and J. C. Welman, Jr., senior vice president, First National Bank, Minneapolis.

BROOKLYN PARK: Lloyd T. Muehlbauer has been advanced from exec. v.p. to pres. of the Brooklyn Park State.

DETROIT LAKES: The following pro-

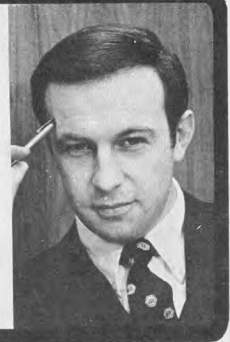
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motions have been made at the First Nat'l.: Kent S. Rogstad to chmn., John O. Pearson to pres., Arnold A. Porkkonen to v.p., David Rogstad to cash., Jeffrey Grabow to a.c. & loan officer.

MARSHALL: Upon the retirement of J. L. Ekse, James A. Ulvilden has assumed the presidency of the Farmers State Bank of Russell.

MINNEAPOLIS: Lynn B. Duncan has joined the Fidelity Bank and Trust Co., as vice pres. of marketing and business development. He was formerly v.p. at Bankers Trust Co., Des Moines.

ROCHESTER: First National Bank has become a member of Bank Marketing Association. Starr Kirklin, v.p., holds the membership for the bank.

ROCHESTER: Lawrence Lyke, mgr. of Federal Land Bank Association, has been elected an a.v.p. of the Federal Land Bank of St. Paul. Succeeding him in Rochester will be John Truwe, mgr. of Rochester branch at Lanesboro.

SHAKOPEE: An application has been filed for a state bank charter to be known as the Western Fidelity State Bank of Shakopee, Shakopee, Minnesota. Incorporators' names in the application are Charles H. Gornell, Jr., Minneapolis; Arthur F. Rossberg, Minnetonka; James E. Frady, Shakopee; and Cletus J. Link, Shakopee.

Proposed capital structure is \$600,000, consisting of \$300,000 common capital, \$150,000 surplus, and \$150,000 undivided profits.

The Minnesota Commerce Commission has set Tuesday, Mar. 13, 1973 as the hearing date.

ST. CLOUD: Dr. Charles J. Graham, pres., St. Cloud State College, has been elected a dir. of Northwestern B & T Co. Lloyd A. Koprek was promoted to a.v.p. & Robert Simon was promoted to a.c.

WASECA: Mike Halvorson was promoted to v.p. & cash. of the First Nat'l.

WILLIAMS: The following promotions have been announced at the First Nat'l.: Clyde L. Tyler named exec. v.p.; Arvid Jaranson named cash. & operations off.,

Gerald Buegler named assistant operations off.

### MONTANA NEWS

BILLINGS: Thomas L. Chakos has been named commercial loan officer, and James A. Lauwers has been named customer services officer at Midland Nat'l. Bk.

GREAT FALLS: Robert E. Lee has been named exec. v.p. and dir. of the Great Falls Nat'l. Bk. He joined the bank in 1959, and most recently has been sr. v.p. Virginia Abbott has been named a.c. and adm. asst.; Jeane R. Holke is now operations officer, and Daniel P. Shull is now real estate loan officer.

The bank plans to increase capital and surplus by \$200,000 each, making total capital \$2 million and surplus \$2 million.

### NORTH DAKOTA NEWS

ELLENDALE: Harley Jundt recently was promoted from ag. rep. and a.c. to v.p. & ag. rep. of the First Nat'l.

MINOT: L. Donald Thorson, a vice president of the First National Bank, Minot, and longtime Minot resident, has retired after 21½ years' service to the bank.

### WYOMING NEWS

LOVELL: Carl Yorgason has been promoted to a.v.p. of Western Nat'l Bank. He had been assistant cash.



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## EXPAND POWERS.....

(Continued from Page 1)

rights would be expanded to include members of another union recommended in writing by that union and, for membership in a federal central-type union, members of liquidated unions in the same state. The criteria of common bond would include "interest" as well as the present "occupation", association, or residence.

## Suspends "Floating" Prime Rate

First National City Bank, the second largest in the nation, announced it would reluctantly suspend its floating prime interest rate formula and keep the rate at 6 per cent.

"This action is the direct result of government pressure, in effect," Citibank said. "The base rate, which previously was determined by the free market, is now being administered by federal authorities."

In a long statement, the bank charged "the weakness of the dollar abroad is partly due to the fact that the world perceives that, in asking Banks to hold down the price of credit to large borrowers, the United States government is asking commercial banks to assume the burden which in the end must be borne by monetary policy."

Citibank's move left only Philadelphia's First Pennsylvania Banking and Trust Co. at 6½ percent.

First Pennsylvania was one of the four banks which went from 6 to 6½ percent last Friday. The other three rolled back the hikes after Arthur Burns, chairman of the Federal Reserve Board and the Phase Three Committee on Interest and Dividends, demanded justification for the increases.

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