

NORTHWESTERN Banker Newsletter

Vol. 2. No. 43

Des Moines, Iowa

February 26, 1973

To Charge \$10 Fee for BankAmericard

Marquette National Bank, Minneapolis, has announced a unique plan to reopen consumer membership in its BankAmericard credit program in Minnesota, North Dakota and South Dakota for the first time since 1971.

Effective March 1, 1973, the bank will require a \$10 enrollment fee.



O. J. TOMSON

Deficit operation of the credit card system forced the bank to close enrollments two years ago, O. Jay Tomson, executive vice president of Marquette National, said. The credit card operation has suffered a \$1.8 million

loss since 1968 when the bank became licensee for BankAmericard, he added.

Presently, Mr. Tomson said, the BankAmericard system — offering the only all-purpose bank credit card in the three-state area — consists of 96 member banks serving 100,000 cardholders and 10,000 merchant outlets. The outlets include stores, service stations, leasing organizations, medical facilities and other consumer services in addition to restaurants, airlines and other entertainment and travel services.

The membership fee, Mr. Tomson explained, will enable the Minneapolis bank to overcome a cost squeeze resulting from Minnesota legislation limiting finance charges to 12% per annum.

“Compared with 18% elsewhere in the nation,” he said, “only a very few states including Minnesota have a 12% limitation on finance charges.” Under BankAmericard, he noted, consumers have an average six weeks after credit purchase to pay without a finance charge.

The two large multi-bank holding companies, as well as a number of other major banks in the Twin Cities, had originally planned to adopt a Master Charge program (in 1968) — but backed off due to the interest rate ceiling. In addition there was a threat from the Minnesota attorney general that credit card purchases might not be classified as installment sales in which case card programs might have had to operate under the basis of 8% simple interest.

The \$10.00 annual membership fee will be introduced about March 1, 1973, Mr. Tomson said, but present cardholders will have until the expiration of their current membership year before the fee becomes applicable.

“The decision to adopt an enrollment fee was the only alternative open to us for continuing as licensee,” Mr. Tomson said. “While our charge card operation is viewed by BankAmericard as among the most efficient throughout the United States, we could no longer continue to incur deficits under the 12% interest ceiling.” An interpretive opinion issued by the Federal Reserve Board of Governors has made an enrollment fee possible, he added.

Propose Fee Boosts For Charter Applications

A “very substantial increase” in new state bank charter applications in the last two years and work done by the State Banking Board more than justify a proposed boost in charter application fees, Colorado Bank Commissioner Harry Bloom said recently.

Mr. Bloom said two bills introduced in the Colorado Legislature by Rep. Ted Eaker, R-Lakewood, which would raise the application fees and per diem allotments of board members, have the endorsement of the board and his office.

One of Eaker’s bills would up the charter application fee from \$1,000 to \$2,500.

If the proposed bank’s organizers withdraw the application before hearings are held, Bloom said, they would get a \$1,500 refund.

Currently, if an application is withdrawn before hearings are held organizers get \$700 of their \$1,000 fee refunded. Once hearings are held and the board processes the application, there are no refunds even if the charter is denied.

The per diem bill would raise the daily pay of the six appointed members of the board from \$30 to \$50 with a total annual limit of \$1,500 per member.

“Last year the board spent 29 or 30 days just hearing charter applications, and some of the members live great distances from Denver and have to take several days off each month from their businesses to travel here. hold hearings

(Turn to Page 2, please)

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John Mangold
Senior Vice President



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we're here on your account

CHARGE FEE . . .

(Continued from Page 1)
and travel home," Mr. Bloom said.

"We believe it's reasonable to provide them with a per diem allowance of \$50 a day."

He noted that the \$2,500 character application fee is the same charged by the U.S. Comptroller of Currency for national bank charter applications.

Currently, there are 15 commercial and eight industrial bank charter applications pending before the board, Mr. Bloom said.

It is likely that Iowa and a number of other states in the *NORTHWESTERN BANKER* area will take similar steps during the current legislative period.

IOWA NEWS

The annual meeting of the Iowa Investment Bankers Association will be held at the Holiday Inn downtown in Des Moines on the evening of Feb. 27.

CLINTON: Wayne V. Jungjohann, v.p. & cash., Iowa State Savings Bank, was recently elected pres. of the Clinton County Bankers Association for 1973. He also received the Clinton Jaycees distinguished service award.

MISSOURI VALLEY: The First Nat'l Bank plans to construct a drive-in facility

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

on a downtown site devastated by fire Dec. 12, 1972. The bank has purchased five business fronts. The new banking facility to be named the First Nat'l Bank Center will include a community room.

POSTVILLE: John A. Palas, dir. of the Citizens State Bank since 1938, has asked to be relieved of his duties as chmn. & pres., but will remain a dir. Officers elected are: C. O. Marsh, chmn.; M. F. Chevalier, pres.; John Falb, Jr., v.p.; Darwin A. Fritz, cash.; Victor Rathje, a.v.p. & farm rep. and Marie Meyer, a.c.

SIOUX CITY: Mary L. Kurth, Sergeant Bluff, was recently promoted to a.c. at the Toy Nat'l Bank.

STORY CITY: Officers and directors of The Randall-Story State Bank will hold a grand opening on Saturday, March 3, from 1:30 to 4:30 p.m. at the bank's new location, 606 Broad St., Story City.

WATERLOO: The Waterloo Savings Bank was granted permission by the state banking board to open a facility in Cedar Falls.

NEBRASKA NEWS

The Nebraska Bankers Association will hold The Installment Credit Conference on March 6 and the Bank Management Conference on March 7 at the New Tower Motor Hotel in Omaha. A special social hour and dinner (Installment Credit Wrap-up and Bank Management Early Bird) will be held Tuesday evening, March 6.

AUBURN: Maynard H. Rippe and Don-

na Marie Caspers have been promoted to v.p.'s at The Carson Nat'l Bank.

AUBURN: Harvey Bergmann was promoted to v.p. at the Auburn State Bank. Officials also announced that the bank's capital soon will be increased from \$150,000 to \$300,000 and surplus from \$100,000 to \$250,000.

GRAND ISLAND: The Overland Nat'l Bank has announced the following changes: Virgil Eihusen, pres., Chief Industries, and Joyce W. Hornaday, pres., Hornaday Manufacturing, elected to the board; Radean Block promoted to v.p., Jon Luebs to cash., Dave Niemoth and James Anders to a.v.p.'s, Gerald Foulk to a.c. and Beverly Lutes to mgr., motor bank.

ILLINOIS NEWS

The Illinois Bankers Association has announced its schedule of 1973 group meetings. They will be as follows:

Group 7 - March 6 - Ramada Inn, Champaign.

Group 10 - March 7 - Southern Ill. Univ., Carbondale.

Group 9 - March 8 - Augustine's, Belleville.

Group 2 - March 13 - Sheraton, Joliet.

Group 3 - March 14 - Sheraton, Oakbrook.

Group 5 - March 20 - Holiday Inn, Quincy.

Group 8 - March 21 - Holiday Inn, Decatur.

Group 6 - March 22 - Peoria Hilton.

Group 1 - March 27 - Conrad Hilton, Chicago.

Group 4 - April 4 - Emerald Hills, east of Sterling.

CHICAGO: The Illinois Bankers Association will conduct its 21st Public Relations and Marketing Conference on March 1-2 at the Continental Plaza Hotel. The conference will begin with a noon luncheon.

CHICAGO: Bruce D. Beede was named v.p., commercial loans, Jack F. Ehli v.p., business development, Dallas H. Himm, v.p., cash. & t.o., Victoria Leslie personal banking officer and Dorothy MacCormack consumer loan mgr. at Ford City Bank.



Voldy Vanags

There are 101 ways we can serve your bank. Tomorrow there will be 102.

IOWA-DES MOINES NATIONAL BANK

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Specialized Bank Coverage

Ransom Insurance. Indemnifies bank for ransom money paid in event of kidnapping or detention of an insured person. Coverage can protect directors, officers and employees, including their families, and can be extended to cover extortion payments and accidental death and dismemberment of the insured persons arising out of kidnapping or extortion.

Directors & Officers Policy. Protects directors and officers from defined wrongful acts in their capacities as directors or officers. Also reimburses the bank for losses due to liabilities of directors and officers assumed in the bank's by-laws. High limits available. Low deductibles and no participation by the insured in losses exceeding the deductible.

All-risk Physical Loss or Damage. An optional five part policy covering:

- Non existent or inadequate insurance on mortgaged or foreclosed property on a specified peril basis, as required in the bank's mortgage agreement
- Errors & omissions on taxes and V.A. & F.H.A. guarantees
- All-risk of physical loss on bank's interest in mortgaged and foreclosed property
- All-risk of physical loss or damage to bank's own property excluding perils insured specifically
- Extra expense all-risk of physical loss to bank premises

Executors' and Trustees' Errors & Omissions. Insures against negligent acts, errors and omissions of executors and trustees while functioning as administrators, executors and trustees or in other personal trust functions carried out by the trust department.

Bankers' Data Processing Transit & Extra Expense. Insures documents while in transit including the extra expense incurred to reassemble them. Coverage can be extended to include the bank's legal liability to third parties arising out of loss of the documents.

Catastrophe Safe Depository. High limits available to protect the bank's safe deposit operation. Available either as full coverage, or as an excess of your existing policy.

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617/523-5280

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Chicago, Illinois 60604
312/427-4737

Dallas

1724 Southland Center
Dallas, Texas 75201
214/742-3638

Houston

2200 South Post Oak Road
Post Oak Bank Building
Houston, Texas 77027
713/621-2101

Los Angeles

520 South LaFayette Park Place
Los Angeles, California 90057
213/385-8441

Minneapolis

5100 Edina Industrial Boulevard
Minneapolis, Minnesota 55435
612/835-5818

New York

123 William Street
New York, New York 10038
212/227-1366
201/642-2286

Philadelphia

Public Ledger Building
Independence Square
Philadelphia, Pennsylvania 19106
215/629-0490

San Francisco

111 Pine Street
San Francisco, California 94111
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St. Petersburg

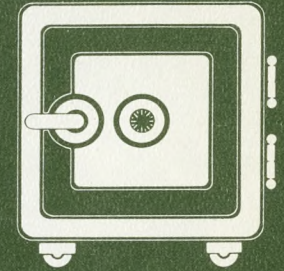
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Lender's Protective



Insurance Application

Lender's Protective Application

Applicant _____

Address _____

Producer's name _____ Phone _____

Producer's address _____

Loans—exclude business loans and loans to debtors on property held for resale, lease or hire

Type Property	Number Outstanding Loans				Est. Next 12 Months			Total Loans Outstanding	Any One Loan		Terms of Loan	
	No.	*	Direct	Dealer	No.	Direct	Dealer		Maximum	Average	Maximum	Average
New Autos			%	%		%	%	\$	\$	\$	mos.	mos.
Used Autos												
Trucks—to 1 ton												
Boats & Marine Eq.												
HH Goods & Appl.												

*Indicate the number of loans for which the bank has no evidence of physical damage insurance.

How many loans are 60 days or more past due? _____

Describe the present procedure for following up on insurance _____

Describe the follow up procedure on dealer originated loans, to guarantee the bank as a secured creditor _____

Do you have any branch offices? No Yes—how many? _____. Are the lending procedures uniform with those of the main office? Yes No—explain. _____

Questionnaire—Furnish full details as needed, especially items with an asterisk.

	Yes	No
*Do you investigate each borrower including dealer loans?		
Are dealer loans made on a no recourse basis?		
Is specific coverage placed if a borrower does not carry physical damage insurance?		
*Are all instruments filed and recorded in accordance with the Uniform Commercial Code?		
Does the state require encumbrances be noted on Certificates of title of a vehicle?		
Are your encumbrances noted on Certificates of Titles when making direct auto loans?		
Are your encumbrances noted on Certificates of Titles when making dealer auto loans?		

History

Has Single Interest Auto coverage ever been carried? No Yes—furnish the carrier, when coverage was terminated and why _____

In the past three (3) years have any losses been sustained because of failure of the borrower to maintain adequate physical damage coverage? No Yes—furnish the number, total amount of losses and largest single loss, by year. _____

Lender's Protective Insurance

A Banker's Blanket Security Interest policy offering a total, comprehensive loan security insurance program for large and small banks and loan companies.

Here's a complete, up-to-date, flexible insurance program that saves a bank time and money by combining the basic protection features of several policies into one. It also eliminates most of the risk of losses due to errors in follow-up procedures.

The basic policy includes . . .

- lender's single interest coverage
- lender's errors and omissions coverage for autos, boats and appliances (other classes of chattels can also be included)
- chattel mortgage non-filing coverage

The following extensions can be added:

- Protection against losses due to physical damage of chattels after repossession
- Coverage for specific single interest on individual borrowers
- Protection against losses on loans insured by marginal companies

Additional flexibility is available to tailor the policy to the bank's exact needs.

The premium is based on either the total monthly outstanding loan balances or number of loans made. The going-in deposit will depend on the premium size and audit reporting term.

You're even protected for loans on which you failed to file a proper and complete long-form loss-payee clause.

So no matter how big your direct loan or dealer loan volume may be, this policy eliminates much of your bookkeeping and follow-up procedure and greatly reduces the risk of losses due to filing and recording. You get total coverage at a know cost.

The policy complies with The Uniform Commercial Code.

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5

CHICAGO: Shareholders of Upper Avenue Nat'l Bank have approved a plan under which the bank will operate as a wholly owned subsidiary of Dearborn Financial Corp., a newly created holding company. Shareholders will receive one share of the holding company stock for each share of bank stock.

JOLIET: A charter has been issued for the organization of the West Jefferson Bank, 3401 W. Jefferson St. Total capitalization: \$900,000 consisting of: \$360,000 in capital and surplus and \$180,000 in reserve for operating expense. The 36,000 shares have a par value of \$10 each. Officers: Earl H. Wood, chmn. & pres., Willard H. Curtis, exec. v.p., Benedict B. Cabay, v.p., L. Park Davis, secretary & a.c., James H. Crumbaugh, acting cash. Directors: Mr. Wood, Lockport; Mr. Cabay, Mr. Davis, Mr. Crumbaugh, Earl H. Diehl, Robert Stephen, Thomas J. Streitz, all of Joliet; Robert Walker, Minooka.

TINLEY PARK: A charter has been issued for the organization of the Tinley Park Bank, northeast corner of 163rd and Harlem Ave. Total capitalization: \$1,250,000, consisting of \$500,000 in capital and surplus and \$250,000 in reserve. 50,000 shares have a par value of \$10 each. Officers: Albert A. Payne, chmn., Jack F. Blackhall, pres., and Raul A. Martinez, exec. v.p. & cash. Directors: Mr. Payne and A. Thomas Maras, Oak Lawn; Jack F. Blackhall, Homewood; Michael A. Lombard, Evergreen Park, and Vincent Page, Palos Heights.

MINNESOTA NEWS

DULUTH: An application has been filed for a state bank charter, Miller Hill State Bank of Duluth, 4932 Decker Road. Incorporators: Jerry J. Jubie, Floodwood, Michael J. Paulucci, Michael S. Seiler and Stewart Seiler, all of Duluth. Proposed capitalization is \$500,000.

LAKE CRYSTAL: Don Ackland has assumed duties as exec. v.p. of Lake Crystal Nat'l Bank replacing Ira J. Adleman who retired after 47 years at the bank.

LE CENTER: Otto Deutschman, former v.p. & cash., has been elected pres. of the First State Bank, succeeding Theodore Traxler.

MADISON: The following promotions have been made at Klein Nat'l Bank: Alden R. Chester to a.v.p., Chester Stageberg to cash., Beverly Saboe and Gladys Henrich to a.c.'s.

MINNEAPOLIS: A charter for Shelard Nat'l Bank, St. Louis Park, has been approved. The bank, with an anticipated \$1 million invested capital, will be in the Shelard Plaza Building on Country Rd. 18 near Hwy. 12. Incorporators include: Sheldon Wert, Samuel Kaplan, Cornell Moore, Bruce Nimmer and Thomas Healy.

MINNEAPOLIS: Norma Kettner has been appointed asst. investment officer at Marquette Nat'l Bank.

MINNEAPOLIS: Lynn B. Duncan has been elected v.p., marketing & business development, at the Fidelity B&T Company.

OWATONNA: Allen Fox, a.v.p., Security B&T, has resigned to accept the position of v.p. with the First Nat'l Bank of Twin Bridges, Mont.

WINGER: Sheldon Nascene has sold his interest in the Farmers State Bank to a group headed by Robert R. Kruger,

chmn., Mid City Bank of Omaha, Nebr., and Donald E. Kearney, pres., Exchange State Bank of Adair, Ia. Mr. Nascene will be going to the First Nat'l Bank of Pine City, Minn., where he has been on the board for the past six years.

COLORADO NEWS

DENVER: J. Jeffrey Dohse has been appointed trust investment officer at the United Bank of Denver.

GREELEY: George Kaberline has been named v.p. & cash. of the new Weld Colorado Bank, opened Feb. 8.

NORTH DAKOTA NEWS

FARGO: The following changes have been made at the Fargo Nat'l. B&T: Dell W. Palmer, chmn., to honorary chmn.; W. R. Braseth, to chmn.; C. S. Miller, sr. v.p., to exec. v.p.; Elbe F. Sexton, v.p. & cash., to sr. v.p.; James S. Mattson to v.p. & cash.; Robert G. Olson to v.p., real estate loan officer; Keith Kroke to v.p., data processing; R. J. Horn, a.c., to a.v.p.; Marvin D. Fjeldseth and Lynn Ring to a.c.'s.

FARGO: G. H. Pierson has been elected pres. of the First National Bank, West Fargo. R. B. Kvamme was elected chmn. Other changes: D. F. Walen to v.p. & cash. and Jean Burner to a.c.

FARGO: Daniel S. McKinnon and Edward G. Preston were promoted from

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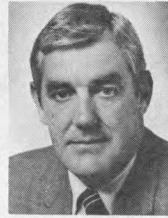
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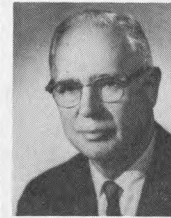


COULSON CANNON AND MUIR

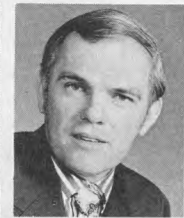
Three of our men
on your side at



Fred Coulson



Tom Cannon



Dick Muir

COMMERCE BANK of Kansas City

a.c.'s to a.v.'s at the Dakota Nat'l. B&T Co.

GRAND FORKS: Allan Nipstad, ag. rep., has been elected a.v.p. at the First Nat'l.; Pat McCue was elected a.c., and Paul Stenseth was elected asst. trust investment officer.

LITCHVILLE: Major remodeling work has begun at the Litchville Bank.

MINOT: Roger Backes was named a.c. & mgr. of the Glenburn station of the First Western State Bank.

SOUTH DAKOTA NEWS

SPEARFISH: Ronald J. Pasco has been appointed mgr. of the Spearfish office of the Bank of Belle Fourche.

VERMILLION: C. Lawrence Thomas has been elected exec. v.p. of the United Nat'l Bank. He will headquarter in Sioux Falls.

WYOMING NEWS

CHEYENNE: Major expansion of the First National Bank and Trust Company of Wyoming has been announced. The new area will house the commercial, real estates and installment loan departments and bank offices. Work has begun and completion is expected in midsummer.

EVANSTON: Lester S. Curran, v.p., ag., has assumed administrative responsibilities at the Stockgrowers Bank of Evanston after the resignation of Vern J. Smith, pres. A new president will be named by the board later this month.

MONTANA NEWS

GLENDIVE: The following promotions have been made at the First Nat'l Bank: Thomas W. Hughes, v.p., promoted to sr. v.p., and T. E. Sell, v.p. & cash., promoted to sr. v.p. & cash.

WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.
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Vol. 2. No. 43 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.