

# NORTHWESTERN Banker Newsletter

Vol. 3 No. 55

Des Moines, Iowa

May 20, 1974

## Oppose Broader Powers for S&Ls

Savings and loan associations should not be granted broader liability powers, such as negotiable CDs, without eliminating their "favored" position in the interest rates they may pay on passbook savings and certificates of deposit, the American Bankers Assn. contends.

ABA's objection to the negotiable CD authority proposed by the Federal Home Loan Bank Board was contained in a letter to the Board from ABA President Rex J. Morthland.

At present, all CDs issued by S&Ls must be in non-negotiable form and as such carry stiff penalties for depositors who withdraw their funds before the CD matures. A negotiable CD can be sold to a third party rather than being cashed in, thus avoiding the penalty. And rates, on CDs of the size proposed by FHLBB--those in denominations of \$100,000 or more--aren't government regulated.

Mr. Morthland noted that FHLBB Chairman Thomas R. Bomar, in announcing the proposal, had said negotiable CDs would provide a tool to attract funds for use in housing finance, particularly during tight money periods.

"To the contrary," Mr. Morthland commented, "our Association

believes that the issuance of negotiable CDs by savings and loan associations, with the proceeds invested in mortgages, could create



R. J. Morthland

serious liquidity problems for those institutions, particularly if there is a strong likelihood of disintermediation during tight money periods.

"The experience of banks indicates that large certificates of deposit have an average maturity of less and three months and are highly sensitive to competing money market rates. Banks have an asset mix which generally permits them to offer rates on negotiable CDs which compete with other short-term yields. Even if these CDs are not rolled over, banks can readily adjust to the loss of the funds through the liquidation of short-maturity assets.

"In contrast, savings and loan

associations have been given special inducements to invest primarily in long-term mortgages, and therefore, may well have difficulty finding the funds needed to redeem these interest sensitive CDs.

"To use such deposits for housing loans would be an extreme example of 'borrowing short and lending long,' a practice which could seriously impair the liquidity position of an association. The problem would be particularly acute in inflationary periods, such as the present, with interest rates rising rapidly and disintermediation again becoming a significant factor.

"Under appropriate conditions, the proposal by the Board would merit serious consideration. We believe that before savings and loan associations can adequately handle large negotiable CDs, they would require a broader range of asset powers.

"However, the granting of additional powers to these institutions should have certain preconditions in equalizing the burdens of competition. For instance, we would take exception to granting savings and loan associations broader liability powers, such as negotiable CDs, without the elimination of their favored position in the interest rates they may pay on passbook savings and certificates of deposit less than \$100,000.

# Independent Banking



Has kind of a nice ring to it.  
Use our toll free WATS line to find out how  
our Correspondent Banking Department can help you.

Member: FDIC,  
Federal Reserve System

## DES MOINES' LARGEST INDEPENDENT BANK

 **BANKERS TRUST**

6th & Locust / Des Moines, Iowa / 800-362-1688





Voldy Vanags

We're in our new home at Seventh and Walnut.  
Stop in and visit us soon.

# IOWA-DES MOINES NATIONAL BANK



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

## IOWA NEWS

The second series of Group Meetings of the Iowa Bankers Association begins this week. Dates and places follow: May 20 - Group 5, Club 64 and Lakeshore Country Club, Council Bluffs; May 21 - Group 12, Vern & Coila's, West Okoboji; May 22 - Group 2, Starlite Village, Fort Dodge, and May 23 - Group 3, Surf Convention and Civic Center, Clear Lake.

DES MOINES: The Iowa Department of Banking, in conjunction with the Conference of State Bank Supervisors, is sponsoring a Bank Executives EDP Conference at the Ramada Inn--Downtown here June 26-28. The conference will be presented by representatives of CSBS and the accounting firm of Peat, Marwick, Mitchell & Co. which has developed the materials and a nationwide staff of instructors for the program.

DYERSVILLE: Marlyn Kuper has joined the Fidelity Bank and Trust as vice president and agricultural loan officer. He formerly was in the banking business in Plankinton, S.D.

FORT DODGE: Groundbreaking ceremonies were held recently for the new building planned by Union Trust and Savings Bank.

HAWARDEN: Del Halseth has joined the Farmers State Bank as vice president. He was formerly with the United National Bank in Vermillion, S.D., as vice president and assistant manager.

JEFFERSON: The Greene County Bankers elected officers at a meeting at the Redwood Inn here. Officers include president--Larry Bergemann, assistant vice president, Jefferson State Bank, and secretary-treasurer--Marlene Radebaugh, Ribbey Savings Bank.

MARSHALLTOWN: The following officers have been elected at the Fidelity Savings Bank: chairman, Neil T. Chadderdon; vice chairman, William H. Brenton; president, Tom R. Smith; senior vice president and trust officer, Orville W. Thurston; vice presidents, Charles W. Nichols, Robert F. Scott and Roger Schmidt; vice president and cashier, J. W. Ludley; assistant vice presidents, Janet A. Daters (also assistant trust officer), Lorraine Nylor (also

## SERVICE WITH NO SMILE.

All our computer knows how to do is work. Quickly. Efficiently. But no smile.

Bill Rickert and Ken Young are the ones who smile. Especially when they're showing somebody how our straight-faced computer works.

Call Bill or Ken today.

1-800-772-2015



## National Bank of Waterloo

office manager), Dale L. Ites and Roger Perry; controller, Thelma Kelly; assistant cashiers, Sarah Hesmer, Jane Lewis and Karen Freese.

MISSOURI VALLEY: Groundbreaking ceremonies for the new First National Bank were held recently.

MUSCATINE: Bob Lothringer will join the First National Bank of Muscatine as executive vice president on August 1, succeeding Harold Lemkau who will retire. Mr. Lothringer formerly was president of the Clinton National Bank.

OTTUMWA: Donald B. Young has been elected vice president and trust officer at the Union Bank and Trust Company. He will be in charge of the trust department. A native of Rock Island, Mr. Young has served as senior trust officer at the Rock Island Bank since September of 1969.

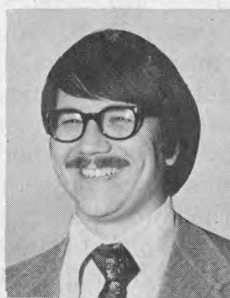
## ILLINOIS NEWS

CHICAGO: Richard Linyard, president of Seaway National Bank, has been named campaign chairman of the Chicago Urban League's membership drive.



ED LENAGHAN

### We'll See You at the May Group Meetings



JON GRINDLE

Specializing in Property, Casualty and Fidelity Coverage for Iowa Banks.

## IOWA BANKERS INSURANCE & SERVICES, INC.

Des Moines, Ia. 50309

515 243-0179

### Winner, South Dakota Bank for Sale

Majority interest in Farmers State Bank, Winner, South Dakota, is being offered for sale by The Guardian State Bank & Trust Co., Alliance, Nebraska, Trustee. Approximate footings and deposits are respectively \$35 million and \$32 million. Any persons interested, contact Paul M. Hefti, President, The Guardian State Bank & Trust Co., Alliance, Nebraska, or Marvin G. Schmid, 320 Kiewit Plaza, Omaha, Nebraska.

# CALL ON THE "PERFORMANCE TEAM"

where common transactions are handled uncommonly well.



FIRST NATIONAL LINCOLN

13th & M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.

**SCHAUMBURG:** A charter has been issued for the organization of the Heritage Bank of Schaumburg at the intersection of Springingsguth and Schaumburg Roads. Total capitalization of the new bank will be \$1,350,000, consisting of \$540,000 in capital, \$540,000 in surplus and \$270,000 in reserve. Officers are John G. Ryan, chairman; Thomas L. Ryan, III president, and Donald L. Mac Neil, assistant secretary and assistant cashier, Blue Island. Directors include Floyd H. House, Northbrook; James F. Teufel and Lawrence J. Faul, Schaumburg; George M. Hilgendorf, Arlington Heights; Robert E. Kennedy, Blue Island; John Ryan, Hinsdale; Thomas Ryan, Chicago, and Francis T. Ryan, North Palm Beach.

## MINNESOTA NEWS

**BURNSVILLE:** American Bancorporation, Inc., St. Paul, has purchased the First State Bank here.

**MINNEAPOLIS:** Robert A. White of Philadelphia has joined the First National Bank as an international banking officer.

**ST. PAUL:** American Bancorporation, Inc. has named Charles Walton as pres. and chief exec. off. He was formerly with Centran Bankshares in Cleveland.

**ST. PAUL:** The Summit Southview State Bank of South St. Paul has changed its name to Summit State Bank of South St. Paul.

**WANDA:** The Wanda State Bank has increased its capital from \$180,000 to \$360,000 by sale of new stock.

## SOUTH DAKOTA NEWS

**ABERDEEN:** First National Bank of Bristol and the First National Bank here have announced that agreement in principle has been reached for merger of the two banks, subject to approval by shareholders and banking regula-

**SIOUX FALLS:** The National Bank of South Dakota, with the approval of the Comptroller of the Currency, has declared a \$2 million capital stock dividend, increasing the bank's capital account to \$8 million. The bank's surplus account was increased to \$8 million through a \$2 million transfer from undivided profits.

## COLORADO NEWS

Kenneth H. Nordling has been elected president of the Rocky Mountain chapter of the Financial Executive Institute. Mr. Nordling is executive vice president and treasurer of Colorado National Bankshares, Inc., and senior vice president and controller of the Colorado National Bank.

**BRIGHTON:** David Fahrback, Richard McLean and Cy Anschutz have been promoted from assistant vice presidents to vice presidents of the First Bank & Trust Co. Mr. Anschutz is also assistant cashier and trust officer.

**DENVER:** University National Bank has announced the completion of a \$1.25 million remodeling and expansion program of the bank's facilities at 4201 E. Yale Ave. Charles L. Ferguson is the bank's president.

**DENVER:** Arnold C. Kimmell, vice president of the First National Bank of Denver, has been elected president of the board of directors of Mountain States Bankcard Association for a one year term. The association is made up of 335 banks which sponsor Master Charge cards in Colorado, Montana, New Mexico, North Dakota and Wyoming.

## WYOMING NEWS

**GREEN RIVER:** James A. (Bud) Chrisman, Jr., cashier of the First National Bank since 1952, has retired. He will remain a director.

**SHERIDAN:** Robert L. Mulholland has joined the First National Bank as vice president and cashier. Formerly he was vice president and cashier of the American National Bank of Cheyenne. Also announced were the promotions of Robert Sheldon to assistant vice president, consumer loans, and Robert Barkley to assistant vice president, commercial loans.

When the two things  
you need most are  
service and dependability,



Gene



Jim



Ed

remember us.

In the Banks and Bankers Division of Security National Bank

**SN** Security National Bank

6th & Pierce, Sioux City, Iowa  
712/277-6517

When you choose a city correspondent,  
do what over half of the banks in Iowa do  
— bank at MNB.

Terry Martin  
Assistant Vice President



**Merchants National Bank**

A BANKS OF IOWA BANK Cedar Rapids, Iowa 52401

Digitized for FRASER  
<https://fraser.stlouisfed.org>

Federal Reserve Bank of St. Louis



# Now, dial your Commerce correspondent direct.

Just call Fred N. Coulson at 234-2479, or Linda Breidenthal at 234-2489, for the direct telephone number of your correspondent. If you have any questions, please call our main bank, 234-2000.



**COMMERCE BANK**  
of Kansas City<sup>NA</sup> 10th & Walnut

## NEBRASKA NEWS

Lilly Larsen, vice president and cashier of The Sioux National Bank, Harrison, has been elected chairman of the Nebraska Group of the National Association of Bank Women, Inc. at its annual meeting.

**EAGLE:** After a reconsideration of a denial, the Eagle State Bank's application for Federal deposit insurance has been approved.

**FREMONT:** Construction has begun on the new drive-in banking facility of First State Bank. James H. Moore, Jr., is the bank's president.

**OMAHA:** Five appointments have been announced by the First National Bank. They are Robert Urban, second vice president in marketing, named personnel director; Richard Ericksen, operations officer, named head of all retail banking in the marketing division; Bruce Cramer, named marketing manager for the Baker Square office, Gary Witt, named head of operations at that office, and Louis Borders, appointed manager of the bank's office at Sixteenth and Farnam Streets.

**OMAHA:** The board of governors of the Omaha chapter of AIB has announced the following officers for the 1974-75 term: president--Jack Koberg, second vice president, The

Omaha National Bank; first vice president--Ron Bielenberg, cashier, Southwest Bank; second vice president--Ed Ostransky, assistant vice president, U. S. National Bank; secretary-treasurer--John Templeton, Northwest Banco.

**OSCEOLA:** Gene Bartak has been appointed executive vice president of the First National Bank following the resignation of Dean C. Henricksen. Ron Christensen was named cashier and Steve Darling, assistant cashier.

**OSMOND:** John B. Adkins, chairman, Osmond State Bank, has announced the advancement of James C. Stratton from cashier to vice president and cashier. Mr. Stratton has been with the bank since 1962. He has attended the Ag Credit School at Iowa State University in Ames, and the Colorado School of Banking at Boulder.

## WANT ADS

Rates 35 cents per word per insertion. Minimum: 12 words  
**NORTHWESTERN BANKER**  
306 15th St., Des Moines, Iowa

## FOR SALE

16 NCR Class 41 Universal Teller Machines. Contact Bill Heinzig at National Bank of Des Moines, 19th and Ingersoll, Des Moines, Iowa - 50304 or phone 515/243-4151.

## POSITION OPEN

Office manager - must have loan and insurance experience. Excellent opportunity in growing community. Write Box MJJ, c/o NORTHWESTERN BANKER 306 15th St., Des Moines, Iowa 50309.

**BE YOUR AREA'S LEADING AG BANK** for as little as \$1 a day. Doane's Farming for Profit can be your exclusive customer relations newsletter to the best farmers in your area. Ask about free 6-month sample subscription. Write D. R. Gorr, DOANE, Dept. 701, 8900 Manchester Road, St. Louis, Mo. 63144.

## POSITIONS AVAILABLE

PRES—(Ks) small towns, need 3. Banks \$15-25 Mil. Agri & Com'l lending exper. \$18-22,000  
CONTROLLER—need 2 (Ks) (Iowa) prefer CPA w/over 5 yrs. exper. \$25,000  
COM'L LN DEPT HD—must have MBA & 5-7 yrs. exper. in bank over \$200MM. Heavy adm. & mktg. \$40,000  
AGRI-LN—some travel. 8-10 yrs. mgmt of agri-loan portfolio over \$100MM; prefer MBA degree \$40,000  
PRES—(Mo) prefer sr. officer from bk over \$100MM. Excellent oppor. \$25,000  
SR. OPER—(Mo) bank over \$300MM. \$25,000  
CLERICAL—tellers; proof oper. loan sec'ys ad sec'ys need in the K.C. area Fee Paid OPEN

## BANKERS AVAILABLE

EXEC. V.P.—small Ks. bank, college grad. under 30, for Neb. Iowa & Ks. \$16,000  
INST. LN—(Ks) degreed officer under 30. 2 yrs. bank lending exper. \$12,000  
EXEC. V.P.—(Okla) VP & TO, no law degree, age 48, prior 6 yrs in Ks. bank. Exper. includes all loans (Com'l also); correspondent balances, oper. supervision in banks under \$40 mil. \$22,000

Bank personnel only. All employees are former bankers.

## TOM HAGAN & ASSOC.

Box 12346 N.K.C., Mo. 64116  
(816) 474-6874

*"It takes a banker to know one"*

## WANTED: Midwestern Banks

Have qualified buyers willing to pay substantial Premium.

Write or Call: J. Mason Henry, President  
**CHARLES E. WALTERS CO., INC.**  
P.O. Box 1313, Omaha Neb. 68101  
Phone: (402) 553-6400

## SERVING PROFESSIONALLY

Banking, Financial & Business Personnel  
Iowa and Nationwide  
**CAPITAL PERSONNEL SERVICE**  
204 Securities Bldg. 515-283-2545  
Des Moines, Iowa 50309

**When you need a little help call us on our toll free wats number 800-362-1615**



EDDIE A. WOLF WILLIAM B. GREAVES RUSSELL G. PLAGER GREGORY S. WOLFE GERALD B. MURPHY

## Correspondent Bank Department

**"C" Central National Bank & Trust Company**  
MAIN BANK, LOCUST AT SIXTH AVENUE, DRIVE-IN MOTOR BANK AT FIFTH & GRAND  
FULL SERVICE OFFICE AT 35TH & INGERSOLL, DES MOINES. PHONE 243-8181. MEMBER FDIC.

Vol. 3 No. 55 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.