

NORTHWESTERN Banker Newsletter

Vol. 3 No. 73

Des Moines, Iowa

September 23, 1974

Comptroller Plans to OK Unmanned Units

Statutory interpretations and regulatory guidelines authorizing national banks to operate Point of Sale (POS) terminals and unmanned money transfer systems are expected to be issued in late October by Comptroller of the Currency James E. Smith. He made the announcement in Lincoln, Nebr., September 14 during an address at the 14th annual Correspondent Bank Conference conducted by First National Lincoln.

Mr. Smith made the surprise announcement toward the end of his remarks that had centered primarily on the basic soundness of the American banking system. He expanded on his remarks at a meeting with the Northwestern Banker editor and another reporter immediately following his talk.

The Comptroller said he anticipates authorizing national banks to operate such a facility anywhere in the state, or within a 50-mile radius of the head office, or within five miles of an established branch. He conceded that this guideline would, in effect, authorize national banks to cross state lines, under the 50 mile or 5 mile rule, in order to serve the bank's market area.

Mr. Smith said he hopes to have further meetings with representatives from the Federal Reserve and

FDIC and to gain their concurrence in sponsoring this regulatory change. He stated, "I would guess that we will wind up in some District Court," and added, "if we



James E. Smith

have Fed and FDIC (concurrence) I believe the odds will be 70-30 or 80-20 and without that, perhaps 60-40, but I'm willing to take that chance."

He stated after his address, "If the Federal Reserve Board and/or the FDIC go along with this concept and want time, I might alter my time schedule. However, with competition demanding action, I feel I must move now." In reviewing applications from banks for such permission Mr. Smith said, "We must use a new approach so the traditional methods of granting branch applications are not used so that such a reference

won't be inferred to POS terminals or free-standing units.

"You might have special service organizations operate these on a franchise to banks. For example, a regional shopping center developer might do this and contract it to banks."

He added that "if the option is made to share a facility, then it must be shared with any other financial institution who wants to use it." This apparently has reference to the situation in the State of Washington where such shared use of remote facilities is followed.

The Comptroller indicated he was motivated to this action by the competitive nature of POS terminal use by banking competitors, specifically referring to the Nebraska situation. He said, "I don't need to remind you of this here in Hinky Dinky home territory." Mr. Smith said he had heard the entire presentation on the Nebraska Bankers Association NETS proposal by Bill Osterberg, NBA executive manager, just a day earlier in Kansas City at the 10th Federal Reserve Bank board meeting. "It was very professionally done," he added. That presentation is being made to all Nebraska banks this week and next week during the NBA group meetings. Mr. Smith stated further:

(Turn to page 3, please)

**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.

Maybe you should take a fresh look at things.

Call and ask for Gene, Ed or Jim in our Banks and Bankers Division.
712.277-6517



Security National Bank
6th & Pierce Street, Sioux City, Iowa
Downtown • Morningside • Leeds
Member F.D.I.C.

Iowa News

E. W. Al Maser, president of the First National Bank in Le Mars, has placed his name in nomination for election as Class A director of the Federal Reserve Bank of Chicago.

John F. Spies, president of the Iowa Trust and Savings Bank in Emmetsburg previously announced his candidacy for the office last February.

No other candidates in the Seventh Federal Reserve District have announced their candidacy for the Class A directorship. Floyd F. Whitmore, president of the Okey-Vernon National Bank of Corning, Ia., is completing his second three-year term on the Fed board and is not eligible for reelection.

Banks with under \$1 million capital in the Seventh District are eligible to vote in the election to be

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

Digitized for FRASER
<https://fraser.stlouisfed.org>
Federal Reserve Bank of St. Louis

Call Ben Eilders

He's one of our Correspondent Banking Specialists always at your service at Des Moines' largest independent bank.



BANKERS TRUST

607 Locust / Des Moines, Iowa 50309

Use our toll free WATS line number: 800-362-1688



conducted by mail ballot between November 4-19.

BURLINGTON: Open house will be held by the First National Bank in its new building on Thursday, September 26.

DES MOINES: The Federal Reserve Bank of Chicago will hold a board meeting here Wednesday, Sept. 25. George Mitchell, vice chairman of the Board of Governors, will attend.

DES MOINES: Over 300 Iowa Instalment lending officers met in Des Moines last week for the 20th annual Conference on Instalment Lending, sponsored by the Iowa Bankers Association. New chairman for the group is Edward C. Doyle, vice president, The Merchants National Bank, Cedar Rapids. New vice chairman is Reid E. Erickson, vice president, Jackson State Bank and Trust Co., Maquoketa.

MONTICELLO: The officers, directors and staff of the Monticello

WANTED

Coin counter and coin sorter. **Contact:**
Jack Parmenter, V. P. & Cashier
Farmers State Bank
Marion, Ia. 319/377-4891

EXCELLENT OPPORTUNITY!

Eastern Iowa Bank has opening for qualified individual to market Data Processing services. Should have experience in Financial Systems, Data Processing, or some form of Marketing to Financial Institutions. Send resume to Box APD, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309.

State Bank planned an open house at their new bank building on Sunday, Sept. 22.

PARKERSBURG: Rolland Hoch has joined the Parkersburg State Bank as cashier.

SIOUX CITY: Gilbert R. Gadzikowski has been elected chairman of the First National Bank filling the vacancy created by the retirement of Joe T. Grant, announced earlier this month. In his new position, Mr. Gadzikowski will serve as chief executive officer and chairman of the executive committee.

WATERLOO: A record total of 217 bankers attended the annual correspondent party hosted by the National Bank of Waterloo last week.

WATERLOO: Donald L. Porchet has been elected senior vice president of Peoples Bank and Trust Company, according to R. K. Sverdahl, president. He previously was vice president.

WEBSTER CITY: Mavis Ratcliff has been appointed assistant cashier of the Farmers National Bank.

WEST LIBERTY: West Liberty State Bank has made application to withdraw from membership in the Federal Reserve System without a six month notice as prescribed by section 9 of the Federal Reserve Act.

Nebraska News

BEEEMER: Open house will be held by the First National Bank on



Dale Luckow

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

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.

Friday, September 27, observing the new banking facility.

LINCOLN: First Federal Savings & Loan Association went operational again on Monday, September 16, with its TMS program through Hinky Dinky supermarkets in Lincoln and Omaha. A recent court decision had cleared the way for resumption of the service that permits First Federal savings customers to have funds transferred by remote terminal at the supermarket so they can draw cash.

Minnesota News

ALEXANDRIA: The Alexandria State Bank has changed its name to Alexandria Bank & Trust Company and has received trust powers.

ARLINGTON: David J. Welch has been elected assistant cashier of the Arlington State Bank.

BLOOMING PRAIRIE: John Vadnais has joined the Farmers & Merchants State Bank.

EVELETH: Gerald Koens has been elected vice president and cashier of the First National Bank. He joins the bank from the Northwestern Bank of Slayton.

HAYFIELD: Bruce Oxton has joined the Citizens State Bank as agriculture consultant.

LE SUEUR: Don Peroutka has joined the Le Sueur State Bank as assistant cashier.

SAVAGE: Robert H. Lexvold has been named president of the Security State Bank. He was formerly executive vice president.

WILLMAR: Bank of Willmar has

A good correspondent bank relationship is still built by good people. Yours and ours.



John Mangold
Senior Vice President

Call me toll free . . .
800-332-5991

Merchants National Bank 
Cedar Rapids, Iowa 52401 A BANKS OF IOWA BANK

changed its name to Bank of Willmar and Trust Company and an amendment has been authorized granting it trust powers.

Illinois News

EAST MOLINE: State Bank of East Moline has made application to withdraw from membership in the Federal Reserve System without a six-month notice as prescribed by section 9 of the Federal Reserve Act.

Colorado News

GREELEY: Roger L. Underwood has been appointed assistant vice president and commercial loan officer at the First National Bank.

STERLING: Carl P. Donner II has joined Security State Bank as a vice president. He formerly was financial officer of the Ceres Land Co.

North Dakota News

JAMESTOWN: The first meeting of the James River chapter of BAI will be held at the American Legion here Wednesday, Sept. 25. The evening will be a special tribute to the ladies in banks.

LANGDON: Ralph Page has joined the Farmers and Merchants State Bank. He has been associated with the First Merchants and Farmers Bank in Cavalier, the Red River National Bank in Grand Forks and the First National Bank of Owatonna, Minn.

UNMANNED UNITS. . . .
(Continued from page 1)

"While Nebraska is moving on this, I'm moving on the same time schedule in Washington. Once I saw the results of all this activity (POS, etc.) I felt we should assess what we could do to be responsive to the competitive needs of our national banks. I have some tentative drafts on hand and hope to meet with representatives at the Fed in the next week or so."

The Comptroller told reporters later that he is willing to move ahead on his own even if that concurrence from the other two federal regulatory agencies is not forthcoming at this time because he feels the time to act is now. Regarding the legality of his position, Mr. Smith said, "Branch



Get to know our Correspondent Bankers.

Get to know: (left to right) Leon Winters, Harold Kinney, Bill MacMillan, Bill Fleming and Norm Burkepile. And let them get to know you. Then, when you need help with any of our services, you'll get the help you need. Quickly and efficiently.

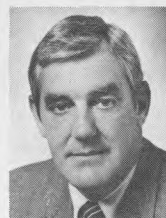
COLORADO NATIONAL BANK 

17th and Champa • Denver, Colorado 80202 • (303) 893-1862



COULSON AND CANNON

Two of our men on your side at



Fred Coulson



Tom Cannon

COMMERCE BANK of Kansas City^{NA}

(816)234-2000

banking statutes in the states and a multitude of court decisions indicate a branch as a manned facility—described in one judicial opinion as 'a monumental edifice providing a full range of services provided by banks.' We don't think free-standing tellers or POS terminals violate this."

Mr. Smith added, "These units may not even be owned by banks, but by a holding company or other business firm. Congress didn't anticipate this," he said, indicating the technological advancements made.

He did refer to a court case in which a night depository served by an armored truck was determined to be a branch and said it was the only such narrow interpretation he had found and that he expects a more rational decision from the courts.

In regard to what the regulatory guidelines might be, Mr. Smith said "perhaps 30 days advance notice for such a facility, and then operate with a minimum of supervision from us. Advance notice by a bank would give us an opportunity to determine if the bank would be over-reaching itself or stretching its capital position."

WANT ADS

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

BE YOUR AREA'S LEADING AG BANK. Doane's Farming For Profit can fill a gap in your marketing program. Send this exclusive ag newsletter to the best farmers in your area. For a free 6-month sample subscription, write: D. R. Gorr, DOANE, Dept. 702, 8900 Manchester Road, St. Louis, Mo. 63144.

Vol. 3 No. 73 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25 cents 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.

POSITION AVAILABLE

Ag Representative and Installment Loan Officer. Rural \$20MM bank, adjacent to the Twin City area desires aggressive college graduate with Agricultural, Installment Loan and Collection background. Excellent opportunity for the right man. Send picture and complete resume to: Mr. Jack Ellis, Vice President, State Bank of New Prague, 201 Central Avenue North, New Prague, Minn. 56071.

FOR SALE

1 Pitney-Bowes Addresser, table, file drawers, and supplies; plates and foil inserts. Like new. Bank of Elgin, Elgin, Nebraska, phone 402/843-2228.

POSITION WANTED

Young man with 18 months banking experience—all phases of lending; ag. rep.; cashier; farm appraisals; insurance; real estate; internal operations. Farm background and two years college. Write Box WBP c/o NORTHWESTERN BANKER, 306 15th St., Des Moines, Iowa 50309.

POSITION WANTED

Young man, 29, 6½ years experience in consumer lending, all phases internally, plus working with dealers, seeks position with central Iowa bank with opportunity for advancement. References. Contact Bob Ormston, 225 N. 25th, Fort Dodge, Iowa 50501. Phone 515/576-1048.

POSITION WANTED

Young man with one year banking experience seeks position in midwest bank—farm background; college degree, economics major; completed bank training program; have insurance license; married. References available.

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

POSITION WANTED

Man with 8½ years insurance experience and 2 years loan experience desires opportunity to locate in a midwest bank. Prefers the western cornbelt area. Write Jack Shemat, P. O. Box 164, Cherokee, Iowa 51012.

FOR SALE

Recordak Reliant 400 Microfilmer model RO-1. Burt Day, A319/849-1838, Iowa State Bank and Trust Company, Center Point, Ia.

SENIOR OFFICERS

CORRESPONDENT OFFICERS—1 or 2 yrs. experience several midwest spots, including department head.
PRESIDENT—\$20MM bank in southeastern Ks.; new charter in rural area; K.C., suburban; \$3MM bank in So. Ks.
COMMERCIAL LOAN—experienced with large credit lines.
BOND ANALYSIS & SALES—Bank exper. required.
ACCOUNTING & OPERATIONS—for \$75MM bank in Mo., must be able to supervise.
TRUST DEPT. HEAD—Law degree, \$50MM Iowa bank.
EXECUTIVE VICE PRESIDENT—Western Ks., good agri-loan experience; Southern Mo., com'l & agri experience; S.E. Ks., loan & oper. exper. required.
SECURITIES ANALYST—Bank experience required.

JR. POSITIONS

ACCOUNTING & OPERATIONS—Iowa bank, excellent advancement opportunity.
PLATFORM OFFICER—Ks., Ln. & oper. experience required.

CLERICAL

TELLERS—several spots in K.C. & Denver for experienced tellers - P/R - Coll. - Disc.
LOAN CLERK—Ck. credit, type ins, etc. - Denver
EXECUTIVE SEC'Y—To Sr. V.P. (Inst. Ln) - K.C.; Conf. Sec'y (single) to Pres. - K.C.
PROOF OPERATOR—Fullboard or 10-Key - K.C.
TEMPORARY OR PART TIME—we maintain a staff of exper. bank clerks (tellers, proof oper., etc.) to work temp. assignments in the K.C. area. Additional personnel needed. Call or write for information.

TOM HAGAN & ASSOCIATES
Box 12346, N.K.C., Mo. 64116
(816) 474-6874

"IT TAKES A BANKER TO KNOW ONE"

Ready To Sell Your Majority Bank Stock?

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