

# NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

May 5, 1975

## Plans To Improve Ag Lenders

The chairman of the American Bankers Association's (ABA) agricultural banker division has laid out a four-point plan aimed at producing better agricultural lenders.

"Agriculture has become a big, complex, special risk business that demands more professionalism on the part of both banker and borrower," Rex G. Plowman told bankers attending the Wisconsin Bankers Association's annual Agricultural Credit Conference.

The first step toward producing better farm lenders, Mr. Plowman said, must be taken by management.

"Real professionalism ... can never be accomplished ... unless an understanding and sympathetic attitude exists at the highest level of bank management. A proper allocation of the personnel and the loan portfolio must be assigned to agricultural loans and to the farm management department."

### Training Program

Second, he said, is adequate training and background. A strong background in general and agricultural economics is a must for farm lenders as is at least a passing acquaintance with most types of farm operations, Mr. Plowman said.

In addition, he said, every bank should have an on-going training program. "This is important because of the rapid changes taking



place in all aspects of agri-finance. Where banks are too small to have their own programs, attendance at state association and national ABA agricultural workshops and conferences should be stressed," he said.

Mr. Plowman said it is essential that experienced loan officers be "well compensated with both monetary remuneration and management prerogatives."

Third, each bank should develop and follow a lending procedure emphasizing a step-by-step system that includes full loan documentation. "This not only gives you an essential up-to-date file on the borrower," he said, "but it often creates a training program for the borrower. It's difficult to get your borrower to take record keeping seriously if you don't."

Mr. Plowman, who is also president and chairman of the board, Lewiston State Bank,

Lewiston, Utah, said, "Farm operations have become too complex, and most of us have become too large to permit us to fly by the seat of our pants as many of us were inclined to do in the past."

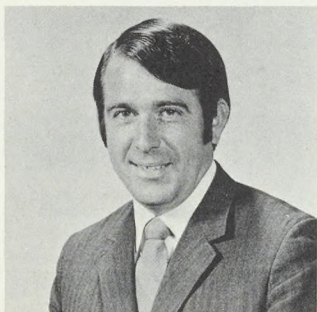
The fourth factor in attaining more professionalism, he said, is not so easily categorized. "It comes primarily from experience and common sense. It is the ability to analyze the intangibles."

### Family Unity

"A loan line on a family farm operation should be based on the family unity of the operators." This concerns the relationship between all members of the family, he said, especially husband and wife. "It makes no difference how competent the husband may be. If his wife is not with him in the enterprise, he is destined to fail."

"Some other things that may seem obvious are not always recognized," he said. For instance, if your inspection of collateral indicates more snowmobiles and trail bikes than livestock, you've probably got trouble.

Mr. Plowman said a good experienced loan officer can frequently anticipate problems. "When such a feeling strikes, follow it up. It is usually justified. You may have to allow time for working out a problem loan line, but quick identification of the problem is vital."



Larry Welch

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### Iowa News

DES MOINES: Tom H. Bachman has been elected president and trust officer of the East Des Moines National Bank, according to Paul T. Manning, chairman. Mr. Bachman, who joined the bank as vice president when it began operations in 1963, was elected executive vice president in 1966.

DES MOINES: John K. Benoit, Jr., and J. Michael Dollar have been elected trust officers of the Iowa-Des Moines National Bank. Gordon P. Gottschalk and Mildred B. Henning have been elected trust investment officers.

DES MOINES: Funeral services were held recently for Lloyd Fugill, 75, retired Des Moines banker. Mr. Fugill retired on September 30, 1964, as vice president in the commercial loan department of the Iowa-Des Moines National Bank.

HAMBURG: Dick Hall has been appointed assistant vice president of Iowa State Bank. He previously was vice president of the Parkersburg State Bank.

WEST UNION: Merrill Lawrence Nerem has been named cashier of the Farmers Savings Bank. He formerly was cashier of the Alden State Bank.

WILLIAMS: Funeral services were held April 15 for A. J. Jensen,

president of the Williams Savings Bank. Death was the result of injury in an automobile accident.

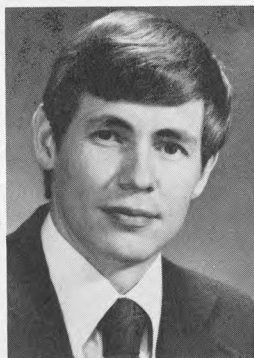
ZEARING: Funeral services were held recently for Carroll C. Bailey, retired cashier of the Tri-County State Bank. He retired one year ago after serving 30 years with the bank.

### Nebraska News

The Schools of Banking, sponsored by the Kansas, Missouri and Nebraska banking associations, will hold the second session of The Basic School of Banking, September 7-12; the second session of The Intermediate School, October 26-31; The Advanced School of Banking, November 2-7, 1975. The one-week sessions are held at the Nebraska Center for Continuing Education, University of Nebraska, Lincoln. Enrollment is limited to bank officers and employees of the three participating states. Application forms may be obtained from the respective Association offices or The School of Banking, 414 Farnam Bldg., Omaha, Nebr. 68102, Telephone 402/342-2225.

GRAND ISLAND: Michael B. Rock has been named vice president and senior trust officer of the First National Bank. He formerly was a trust officer at The Omaha National Bank which he joined in 1965.

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OMAHA: William Workman, formerly associated with First Mid America Inc., has joined the trust department of the Douglas County Bank.

OMAHA: The Nebraska Bankers Association annual convention is underway at the Omaha Hilton. A full report will be featured in the June issue of the Northwestern Banker.

### Illinois News

An application for a permit to organize the Lincoln State Bank in unincorporated area of Will County, has been filed. The bank's total capitalization would be \$350,000, consisting of \$200,000 in capital, \$100,000 in surplus and \$50,000 in reserve.

CHICAGO: The Illinois Bankers Association annual convention is underway at the Palmer House. A full report will be featured in the June issue of the Northwestern Banker.

COUNTRYSIDE: A charter has been issued to the State Bank of Countryside at 6724 Joliet Road. Total capitalization of the bank is \$1,250,000, consisting of \$500,000 in both capital and surplus and \$250,000 in reserve. The new bank has reconstructed a bronze and marble teller cage and cherry wood offices from a San Francisco bank. Officers are D. J. Robinson, president, and Henrietta F. Pokrajac, cashier. Directors include John C. Wheeler, George Krug, Jr., Anthony Laperuto and A. Fred Moore.

ST. CHARLES: A permit to organize has been issued to the Pottawatomie Bank and Trust

Company at Dunham Road and Route 64. The state bank's total capitalization of \$1,200,000 will consist of \$480,000 in both capital and surplus and \$240,000 in reserve. Organizers are Richard J. Brashler, Eugene H. Ruark and Roy A. Safanda, Geneva; Donald C. Dowling and Francis D. Dunn, Jr., St. Charles, and James B. Wood, River Forest.

### Minnesota News

DEEP RIVER: Robert Bonestell has joined the First National Bank. He formerly was with the Presho office of the National Bank of South Dakota.

MENDOTA HEIGHTS: W. T. Richards, chairman of Mid America Bancorporation, Inc., Twin Cities-based registered bank holding company, has announced that agreement in principle has been reached for the sale of Mid America State Bank of Mendota Heights to Hugh Fitzgerald and Associates, St. Paul, a group of individual investors, for an undisclosed price. The sale would include the 16,000 square foot building which houses the bank and other offices. The transaction is subject to approval by the bank's board.

### North Dakota News

The second session of the North Dakota School of Banking will begin at the University of North Dakota in Grand Forks June 8. Any bank employee with more than one year of experience in a bank is eligible.

CROSBY: Funeral services were held recently for Frank A. Grim, vice president and director of the Farmers State Bank.

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GRAND FORKS: The annual North Dakota Bankers Association convention begins Wednesday, May 7 at the Westward Ho Convention Center. A full report will be featured in the June issue of the Northwestern Banker.

MILNOR: F. A. Mund has been named chairman of the First National Bank and H. L. Johnson has been elected president and cashier.

VALLEY CITY: Funeral services were held recently for Richard Lanz, assistant vice president and cashier of the First National Bank.

### Montana News

MISSOULA: Robert E. Bodin has been elected vice president and senior commercial lending officer of the Southside National Bank.

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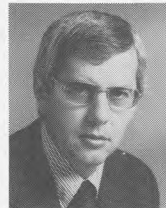
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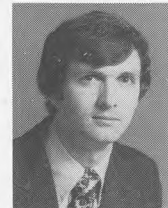
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## South Dakota News

**ARTESIAN:** The State Banking Commission has approved the applications of the Live Stock State Bank here to move its main office from Artesian to Mitchell and establish an office at the present main office location here.

**IRENE:** The Farmers State Bank has increased its capital from \$60,000 to \$120,000.

# Maybe you should take a fresh look at things.

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## Wyoming News

**CHEYENNE:** Wyoming Bancorporation has withdrawn its application for new state bank charters at Casper and Jeffrey City.

## Colorado News

**DENVER:** The Federal Reserve System has announced its approval of the applications of United Banks of Colorado, Inc., to acquire United Bank of Steamboat Springs and United Bank of Monaco, Denver. Both are proposed new banks. The Fed also has announced its denial of the application of United Banks of Colorado to acquire Republic National Bank of Englewood.

**GRAND JUNCTION:** The Federal Reserve has announced its approval of the application of First National Bancorporation, Inc., Denver, to acquire certain assets of The Grand Valley Agency here.

**JEFFERSON:** Robert Manning, controller, has been appointed vice president of the Jefferson Bank & Trust. He will continue as controller.

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