

Proposes Corporate Savings Accounts

Corporations, partnerships and other profitmaking organizations would be permitted to deposit up to \$100,000 in commercial bank savings accounts under a rule change proposed by the Federal Reserve Board. Comments will be received by the Board through July 25.

If adopted, the proposal would end the 40 year old ban on such accounts by profitmaking business organizations. The Board said it was acting to help "restore the competitive balance between financial institutions" and to eliminate any adverse effects the ban has on smaller business organizations.

The Board suggested the dollar ceiling on such accounts to make them attractive chiefly to small businesses that do not have access to the money markets for temporarily idle funds.

Savings and loan associations and other thrift institutions presently are permitted to accept savings deposits from businesses. The Board said it was considering the proposals to amend Regulation D (reserve requirements) and Regulation Q (interest on deposits) to enable member banks to compete more effectively with these institutions.

In Massachusetts and New Hampshire, where the law permits financial institutions to offer

deposits subject to negotiable order of withdrawal (NOW accounts), such accounts will continue to be available only to individuals and other qualifying organizations—not to businesses.



If adopted, member banks would be asked to classify their business savings account deposits as a separate item for reporting purposes.

The Board said "recent correspondence" it has received "indicates that continuation of a rigid ban on the ability of member banks to accept savings deposits from business organizations may be having an adverse effect upon the ability of member banks to compete with other financial institutions for deposits of business enterprises since, at present, savings and loan associations and other thrift institutions are permitted to accept savings from businesses."

In addition, the Board said it was "aware that corporations with large amounts of idle funds are able to realize a return on their temporarily idle funds by investment in short-term money market instruments. Smaller business organizations do not ordinarily have such access to money markets and are, therefore, precluded from realizing any short-term return on their funds.

"Based on a review of the original basis for imposition of the corporate deposit restriction and the current competitive environment, the Board has determined that a modification of its long-standing policy may be appropriate."

North Dakota News

FARGO: Merchants National Bank and Trust Co. has received approval to establish an office on 13th Avenue South at 25th Street.

GRAND FORKS: Red River National Bank has announced the following promotions: David Gaddie, assistant cashier; Richard Rolfstad, marketing officer; Diane Wysocki, customer service officer, and Barbara Johnson, adjustor.

WAHPETON: Robert Nystuen has joined the Wahpeton National Bank as agricultural officer.

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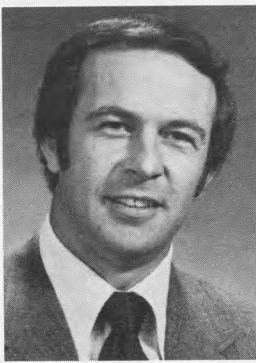
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Midwest Ag Credit Council To Meet in Grand Forks

"Challenges of Agricultural Banking: A Look into the Future" will be the theme of the twentieth annual Convention of the Upper Midwest Agricultural Credit Council, June 25-27 at the Westward Ho Motel in Grand Forks.

Through workshops and presentations, the Conference will include programs on agricultural lending, credit problems and solutions, forward pricing in commodity markets and the implications of the Federal Water Pollution Control Act on future agricultural credit requirements.

Denver Judge Asked to Alter CBCT Ruling

The U. S. Comptroller of the Currency has filed a motion in U. S. District Court in Denver asking that the court reconsider and change its decision that a customer-bank communications terminal (CBCT) operated by the First National Bank of Fort Collins violates certain provisions of federal and state laws governing branch banking.

The court decision that the remote electronic teller terminal operated by the Fort Collins bank is illegal was reported in the June 9 issue of the Newsletter.

Fed Bars Acquisition By Denver-Based Bank

The Federal Reserve Board has rejected the proposed acquisition by United Banks of Colorado of First National Bank, Golden.

The Fed said the acquisition, if approved, would hurt existing and future competition within the Denver market. The Reserve Board observed that the Golden bank, with deposits of about \$50 million, is only 15 miles from downtown Denver, where United Banks is based. United Banks is the state's second largest banking concern, controlling 19 banks with deposits of about \$925 million.

Iowa News

CORALVILLE: Jeff Hendrickson has joined the Union Bank and Trust Company, Richland, at its Coralville office. He is a recent business administration graduate of Central College.

DES MOINES: EFTS legislation, passed by the House and the Senate, awaits the signature of Governor Ray.

Experimental plans of a limited scope can be authorized by the superintendent of banking from July 1, 1975, until January 1, 1976.

Full scale satellite facilities will be possible for banks, savings and loans and credit unions on either an individual or shared basis after July 1, 1976. At that time, EFTS terminals will be legal on a state-wide basis.

DES MOINES: "Pension Reform: From Print to Practice," a one-day workshop on new pension legislation, will be offered by Drake University's Pre-Retirement Planning Center from 8:30 a.m. to 4:30 p.m. on Saturday, July 12, at the Olmsted Center, 29th Street and University Avenue.

KELLOGG: Funeral services were held recently for James D. Roth, 75, associated with the Kellogg Savings Bank for 55 years.

OAKLAND: Oakland Savings Bank recently held a grand opening of its new facilities which include a drive-up window, 24 hour depository, lobby area, large vault and community room.

ROCK RAPIDS: Duane L. Moser will join the Rock Rapids State Bank on July 1. He previously served as administrator of the Area IV Education Agency Administration.

SIOUX CITY: Vernon Roberts has been advanced from auditor to vice president and auditor at First National Bank. Other promotions are: Ken Wigg, marketing officer; Kent Nahler, assistant cashier; Wanda Wheeler, purchasing officer, and Don Tollefson, assistant auditor.

Nebraska News

COZAD: The Federal Reserve Bank of Kansas City has announced its approval of the application by C.S.B. Co., here for approval of action to become a bank holding company through the acquisition of 80% or more of the voting shares of Cozad State Bank and Trust Company.

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ELGIN: Funeral services were held recently for George A. Wright, 78, founder of the Bank of Elgin. He organized the bank in 1935 and served for 30 years as president until his semi-retirement in 1965.

OMAHA: Charles H. Fries has been named a vice president in the commercial loan department of the First National Bank. He formerly was a vice president of the First Wisconsin National Bank in Madison, Wisc.

OMAHA: Officials of the First National Bank of Omaha have announced that remote electronic banking terminals will begin operating in the 14 metropolitan area Safeway grocery stores and in four Omaha Richman Gordman stores. At each location, bank customers will be able to deposit or withdraw money from checking or savings accounts and will be able to transfer money between checking and savings accounts. First National is the third Omaha bank to become involved in electronic banking.

SO. SIOUX CITY: John Paulson, vice president of the Nebraska State Bank, has been promoted to executive vice president. Randy Lanning was elected assistant cashier. Mr. Paulson joined the bank in 1967 as agricultural representative. Mr. Lanning has been with the bank for over three years.

WAHOO: Keith Alexander has been named assistant vice president in charge of personal loans at the First National Bank of Wahoo replacing Tom Dunham who moved to the agricultural loans department.

Minnesota News


BENSON: Peter Gandrud has joined the Swift County Bank here. He is a recent graduate of Luther College in Decorah, Ia.

LINDSTROM: Security State Bank has increased its capital stock from \$60,000 to \$120,000 by stock dividend.


ODIN: Odin State Bank recently held an open house to show the

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public its new addition which doubled the size of the bank. Robert Harder is the bank's president.

RENVILLE: Application for a state charter to open a new bank here has been made by a group of local businessmen and farmers. An economic study is being made of the area to determine the need for a new bank.

ROCKFORD: Rockford State Bank has increased its capital stock from \$25,000 to \$50,000 by sale of new stock.

Illinois News

Two House approved anti-redlining bills have been voted out of the Illinois Senate Finance Committee.

One measure would require financial institutions in the state's largest cities to file semiannual reports with the secretary of state disclosing the geographic origin of savings deposits and the geographic destination of mortgage loans. The second bill would penalize banks and savings and loan associations determined to have denied mortgages to applicants solely because they lived in certain neighborhoods.

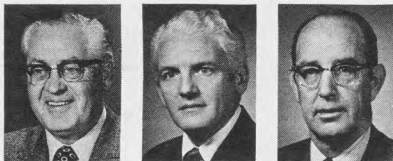
CHICAGO: The Northern Trust Company has announced the following staff changes: banking

department, Philip J. Carlson, vice president; Andrew B. Bernhardt, Robert A. Lennox, Harry R. Olsen and Thayer Rudd, Jr., second vice presidents; trust department, J. Terrence Murray, Gifford H. Hampton, III, John J. Borland, James P. Giambalvo, and John W. Hogge, second vice presidents.

CHICAGO: Bank Marketing Association will hold a workshop on Marketing Social Security Direct Deposit Thursday, July 10, at the Marriott Motor Hotel in Chicago here. Registration begins at 9 a.m. followed by the program at 9:30.

CHICAGO: A certificate of authority has been issued to the Korea Exchange Bank of Seoul, Korea, to establish and maintain a banking office at One First National Plaza. The registered agent of the office is Young Nam Kang, Suite 4800, One First National Plaza.

DES PLAINES: Egils H. Krolls has been elected vice president and trust officer of the First National Bank of Des Plaines. Formerly assistant vice president and trust officer, he joined the bank's trust department in 1969.



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South Dakota News

The Central South Dakota chapter of Bank Administration Institute has elected the following new officers: president, Everett D. Johnson, assistant cashier, National Bank of South Dakota, Madison; vice president, Marilyn Wengert, operations and personnel officer, National Bank, Madison; secretary, Robert Nemitz, personal loan officer, Northwestern National, Huron, and treasurer, Lee Malmberg, instalment loan officer, National Bank of South Dakota, Huron.

Wyoming News

Over 500 people attended the Wyoming Bankers Association annual convention in Moran last week. Harmon H. Watt, president, First National Bank, Riverton, was elected president of the association. Other officers elected include: first vice president, Kenneth C. Naramore, president, Stockmen's Bank, Gillette, and second vice president, Orin Geesey, president, First National Bank, Kemmerer.

Colorado News

Warren M. Watrous, president of the Farmers State Bank, Bush, was elected president of the Colorado Bankers Association at the group's recent convention. John E. Harker, chairman of the First National Bank, Burlington, and a director of the Kit Carson State Bank, was elected vice president.

GRAND JUNCTION: An application by the Bank of Orchard Mesa for Federal deposit insurance has been approved. The bank's capital accounts total \$600,000.

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