

NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

March 1, 1976

Lift 100 Mile Restriction for S&Ls

The Federal Home Loan Bank Board has authorized more liberal expansion of savings and loan associations in rural areas by adopting a regulation opposed by a majority of the nation's banks.

The new FHLBB regulation, effective March 12, allows federal s&l's to establish branches or mobile facilities in rural areas without restriction on distance from home offices. Under existing regulations, s&l's are not permitted to branch or locate mobile facilities beyond 100 miles from their main offices, with certain exceptions.

Primarily rural counties, served by three or fewer savings associations with home, branch or mobile offices in the same county are affected, the FHLBB said. The Board's definition excludes counties that are parts of standard metropolitan statistical areas.

Small banks and s&l's voiced opposition to the regulation, proposed in November. They accused the agency of giving larger associations more power to expand, thereby undermining the role of smaller institutions in the rural market.

Under existing regulations, s&l's are not permitted to branch or locate mobile facilities beyond 100 miles from their main offices, with certain exceptions.

The Board held that remedying the 100 mile restriction would improve service to rural residents.

Letters of opposition received by the Board expressed concern that urban s&l's could spend vast sums of money drawing customers away from local institutions, driving them out of business.

Removal of branching restrictions might also result in large associations' taking money out of rural areas and lending it elsewhere, leaving the farmers with no place to get loans, the small bankers also contended.

Recent action by the FHLBB approved the following new offices:

First Federal Savings and Loan Association of Lincoln will have an office in North Platte.

Minnesota Savings and Loan Association, St. Paul, will have an office in St. Cloud.

Home Federal Savings and Loan Association of Sioux City will have an office in Storm Lake.

Chattanooga Bank Insolvent

The \$408 million-deposit Hamilton National Bank of Chattanooga was declared insolvent and turned over to First Tennessee National Corp., Memphis, which reopened the bank February 17 as a First Tennessee affiliate.

The Federal Deposit Insurance Corp., appointed receiver of Hamilton when the closing was ordered by Comptroller of the Currency James E. Smith on February 16, awarded Hamilton's deposits and a portion of its assets to the \$1.6 billion-asset First Tennessee as the highest of three bidders. First Tennessee, anchored by the \$972.5 million-deposit First National Bank of Memphis, bid \$16.251 million for the purchase and assumption transaction.

Hamilton National Bank was the anchor of the \$1.1 billion-asset Hamilton Bancshares, Inc. Its closing did not involve the other Hamilton Bancshares banks or nonbank subsidiaries, banking authorities noted.

Illinois EFT Study

The Independent Community Banks in Illinois has called on its pro-branching adversary—the Association for Modern Banking in Illinois—to join in cooperating with an industry study of electronic funds transfer systems.

In a statement released recently, William W. Smith, president of ICBI, said AMBI should assist the survey of the industry being undertaken by the Illinois Bankers Association.

The Illinois BA study of a pro-

(Continued on next page)

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posed EFT network for commercial banks was initiated last month by the accounting firm of Peat, Marwick, Mitchell & Co. The firm is scheduled to give to the Illinois BA leadership its recommendations on feasibility of an EFT hookup by April 1.

Iowa News

The Iowa Transfer System is expected to be in operation by the middle to latter part of May and will meet the mandatory sharing requirement of Iowa law by July 1, an ITS spokesman states. Bids have been received from vendors and ITS expects to have a signed contract with the successful bidder by April 1. To inform Iowa bankers of latest details of ITS development and officially sign up participating banks, a series of eight meetings will be held around the state during the last two weeks of March as follows:

Mar. 22—Ramada Inn, Waterloo

Mar. 23—Hilton Inn, Sioux City

Mar. 24—Holiday Motor Lodge, Clear Lake

Mar. 25—Ramada Inn, Council Bluffs

Mar. 29—Holiday Inn, Cedar Rapids

Mar. 30—Julien Motor Inn, Dubuque

Apr. 1—Hyatt House, Des Moines

ARNOLDS PARK: Helen Wittrock was promoted to assistant cashier of the Lakes National Bank.

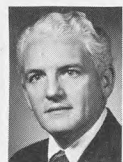
CENTERVILLE: R. F. Malmberg, president, recently was elected chairman, trust officer and member of the bank discount committee at the Centerville National Bank. He will remain active in the bank and community affairs. William H. Griggs was elected president, chief executive officer and a director. He joined the bank in September of 1975 after associations with The Clay County National Bank, Spencer, and The Pella National Bank. Both are affiliates of Hawkeye Bancorporation. Hawkeye has purchased the Centerville bank subject to Fed approval.

DES MOINES: Duane D. Felton has been appointed assistant vice president of Plaza State Bank. He will serve as agricultural representative and will be in charge of livestock, machinery and real estate loans.

FORT MADISON: James R. Noll, Jr., has joined the Fort Madison Bank & Trust Co. as a trainee. He is a recent graduate of the



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Leo
Kane



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Scott

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IOWA CITY: Iowa State Bank & Trust Company has announced the following promotions: John A. Krieger from assistant vice president to vice president; Harry E. Bigger from assistant cashier to assistant vice president and Nancy Hormel to assistant cashier.

RED OAK: John Koenig has been named executive vice president and cashier of Montgomery County National Bank. He succeeds Al C. Thiel who retired. John Bateson, assistant vice president, assumed Mr. Thiel's duties as real estate officer.

SIGOURNEY: Allan Gralapp has joined the First Trust and Union Savings Bank as vice president. Larry Carey, assistant vice president, has been promoted to vice president.

STORM LAKE: Dennis D. Robinson has been elected assistant vice president and James L. Patton assistant cashier of the Citizens First National Bank.

WAUKON: Waukon State Bank has elected the following four new officers: Roger W. Kerndt, assistant vice president and agricultural representative; Carol Lynn Krumme, Arliss F. Willyard and Jill R. Lampman, assistant cashiers.

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KEY PARTICIPANTS—Lark Billick, IBA public relations director; Gilbert Hamblet, who spoke on "Don't Take Yourself Too Seriously;" Ray Considine, Los Angeles, and Murray Raphael, Atlantic City, N. J.

4. We need a committee to study it.
5. It seems pretty aggressive.
6. It's an idea ahead of its time.
7. It might hurt our image.
8. Our President may disapprove.
9. Our competition's sure to copy it.
10. Customers won't buy it.
11. My wife thinks its a crazy idea.
12. The stockholders will be furious.
13. It goes against everything we've done.
14. It doesn't go far enough.
15. The plan is too radical.
16. It's too conservative.
17. The economy's wrong for it now.
18. We might be sued.
19. Who would follow up the leads?
20. We'd have to stock huge inventories.
21. If it worked, we might be sold out.
22. and The Winner:
If it works, what would we ever do for an encore?

Area banks submitted several hundred newspaper advertisements published in their local papers in recent months. A cross-section of the advertisements were projected on the screen in a critique of advertising session.

Discussions were held on non traditional selling, levels of needs, major objections to sales, and a rapid fire session entitled, "60 Ideas in 60 Minutes."

A further report on the Great Brain Robbery will be featured in the March magazine issue of the NORTHWESTERN BANKER.

Area Bankers Advised "Get Out of Box"

By **MALCOLM FREELAND**
Publisher

"Get out of the box." This was the advice given over 150 area bankers attending the first annual Iowa Great Brain Robbery, sponsored by the Iowa Bankers Association under the direction of Lark Billick, IBA public relations director.

Following a two-day seminar format, the Great Brain Robbery featured comments on bank advertising and marketing from two professionals, Murray Raphael, Atlantic City, N. J., and Ray Considine, Los Angeles. Delegates agreed that the event was one of the most successful held in Iowa, and it was the first of its type in American banking circles.

Getting outside the box referred to looking into advertising and marketing techniques used by other businesses. It referred to doing your own thing and not using syndicated material for your direct mail, newspaper and radio advertising.

Bankers were advised to go back to the old general store concept in building their advertising and marketing plans. They were told to

follow the AIDS formula in writing copy, meaning attention, interest, desire and sales.

Participants were given a list of 22 questionable reasons why an idea won't work as follows:

The Reason It Won't Work Is ...

1. We tried something like that once before.
2. We'd have to change our policies.
3. It's never been done in our industry.

INSTANT

LOBBY DIRECTION

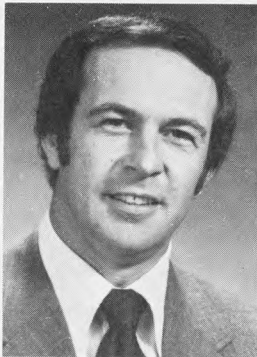
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Nebraska News

EUSTIS: John Wilkinson was elected assistant cashier of the Farmers State Bank.

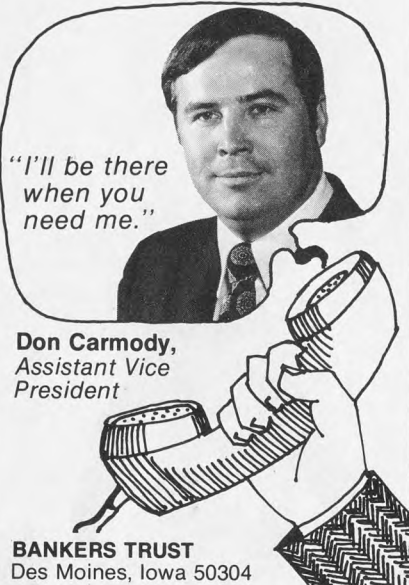
GRAND ISLAND: The Overland National Bank has announced the following officer promotions: Jon F. Luebs, cashier, to vice president, cashier, senior operations officer and personnel director; Radean G. Block, vice president of the commercial loan department, to manager, commercial loans; Gail Brummund, loan officer, to assistant cashier, commercial loan department. Peter G. (Pete) Kyros was elected assistant vice president, marketing and business development. Elected new members of the board are Thomas J. Girkout, Jr., Grand Island insurance executive and D. D. (Clem)

Lemke, Grand Island realtor and member of the City Council.

NORTH PLATTE: Tom Bigelow was named assistant vice president and Jean Arensdorf assistant cashier of the First National Bank and Trust Company. New directors are Jerry L. Swanson, president of Nebraska Machinery Company; William M. Callahan, farmer-rancher, and James C. Soper, president of Crawford Electric Company.

OMAHA: First National of Omaha will hold its 11th Annual Chuck Wagon Roundup March 11 in the Ak-Sar-Ben Sale Pavilion starting at 10 a.m. and concluding at 3:30 p.m. Speakers include Dr. Larry V. Cundiff, Dr. Robert M. Koch and Dr. Daniel B. Laster, all associated with the U. S. Meat Animal Research Center at Clay Center, Nebr.; Art Holst, president of PROMotivation, Inc., Peoria, Ill, who is a well-known National Football League referee and humorous speaker and W. Grant Gregory, partner in charge of Touche-Ross &

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Co., Omaha, a major multi-national accounting and counseling firm.

SHELTON: Paul Friskop has been appointed manager of the insurance agency and Doug Johnson will join First State Bank as a loan officer.

Minnesota News

BLOOMINGTON: The Minnesota chapter of Bank Marketing Association will hold its first Spring Marketing Seminar on March 10 at the Thunderbird Motel, according to Monroe Stenerson, president. Registration begins at 8 a.m. and adjournment will follow a 4:30 p.m. evaluation session.

COTTAGE GROVE: Michael Smeby has been elected assistant vice president and cashier of Mid America National Bank.

EAGAN: Michael E. Larkin, vice president of Mid America National Bank here, has been elected to the bank's board. Promotions announced include: Thomas D. Vars, Dan J. Seaberg and Carl A. Monzel to assistant vice presidents; Audrey Berg to secretary to the president and Joan Connor to auditor.

STILLWATER: The promotions of Arthur L. Edstrom to senior vice president and Steven J. Hirsch to instalment loan officer of Cosmopolitan State Bank have been announced by A. R. Kircher, bank president. Mr. Edstrom joined the bank in 1937 and Mr. Hirsch in 1974.

EAST GRAND FORKS: D. A. (Al) McRae has been elected president and managing officer of the First National Bank. He succeeds Donavon W. Johnson who joined Red River National Bank and Trust Company of Grand Forks, N.D., as a vice president, trust department.

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Mr. McRae formerly was vice president and senior lending officer at the First National Bank of Lewistown, Mont.

HENDERSON: The Sibley County Bank and the Henderson Insurance Agency have been sold to David R. Christenson and Lawrence O. Hauge. Mr. Christenson, 33, is president of the Citizens State Bank in St. Louis Park and Mr. Hauge, 53, is chairman. They purchased the bank from O. L. (Bud) Tomson who will remain at the bank until June.

SAVAGE: Promoted from assistant cashier to cashier of the Security State Bank is Marion A. Buscher. Mary P. Kearney, business owner, has been elected to the board.

VIRGINIA: Northern State Bank has elected Robert Babich chairman. He is the executive vice president of NEMDA and a charter member of the bank's board and one of the leaders in obtaining the bank charter in 1966. The bank promoted Bruce R. Nevala from assistant cashier to assistant vice president.

Illinois News

Group meetings will be held this week as follows:

Group 7, March 2, Ramada Inn, Danville.

Group 10, March 3, SIU Student Center, Carbondale.

Group 8, March 4, Augustines, Belleville.

MARION: A charter has been issued to The Peoples Bank of

Marion, 1116 N. Carbon Street. The state bank's total capitalization of \$1,200,000 consists of \$500,000 in both capital and surplus and \$200,000 in reserve. Officers are Amos Strobel, chairman; Gerald K. Feezor, president and James A. Snider, assistant cashier. Directors are William V. Brown, Glenn Clarida; Mr. Feezor, F. E. Holmes, J. C. Mitchell and Mr. Strobel, all of Marion.

North Dakota News

BOWMAN: First National Bank has announced the promotions of Ione Platz to cashier; Stanley Olson to vice president and comptroller and Rita Sabe to assistant vice president and recording secretary.

GLEN ULLIN: Homer Hiller has joined the Bank of Glen Ullin as chief executive officer. He formerly was assistant vice president of the Peoples State Bank of Velva.

VALLEY CITY: Randy Lingren has joined the Farmers and Merchants Bank.

Wyoming News

CASPER: Robert L. Wonio has been appointed executive vice president of Western National Bank. He joined the bank in 1974 after associations with Security State Trust & Savings Bank of Bettendorf, Ia., and the Archer National Bank of Chicago.

FOR SALE

Addressograph-multigraph, Model 980 BB, with metal plates. Call Luana Savings Bank, Luana, Ia. 1/319/539-2166.

RAWLINS: George Hutt, executive vice president, retired after 41 years of active service with the bank. He will remain a director. John Martin was promoted to assistant vice president and David Shadrick to assistant cashier and security officer.

South Dakota News

SIoux FALLS: John T. Vucurevich, chairman and president of United National Bank here, has announced the merger of the Union Bank & Trust Company, Sioux Falls, and the United National Bank, effective February 17. Mr. Vucurevich said the only change at Union Bank will be the change of the name to United National Bank. C. Lawrence Thomas will continue as executive vice president.



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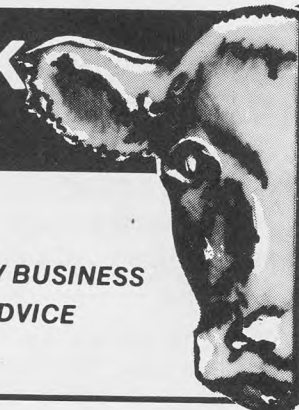
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Drive-up window, bay type. Night deposit with chest. Earl F. Kooker & Associates, Box 87, Spencer, Ia. 51301. 1/712/262-1499.

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FOR SALE

Diebold power file #62401—24 levels with ejector. Capacity 2,880 sq. in./trays also available. Contact: Brian McSweeney, First State Bank of Hanover Park, 1400 Irving Park Road, Hanover Park, Ill. 60103. Phone: 312/837-2700.

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