

NORTHWESTERN Banker Newsletter

Vol. 5 No. 30

Des Moines, Iowa

November 22, 1976

SBA Farm Loan Procedures are Detailed

Clarification of procedures governing the Small Business Administration's new farm loan program has been issued by Mitchell Kobelinski, SBA administrator. As noted in the initial announcement of the program in the November 1 *Weekly Newsletter*, SBA now has opened its regular business loan program to include farmers, ranchers and other agricultural enterprises for operating, intermediate and term loans.

An official SBA notice to bankers and ag lenders provides these details:

These loans will be made under existing business loan programs. No special agricultural loan funds are available. Regular SBA business loan kits (SBA Form 4) available at banks will be used in applying for agricultural loans.

In addition to current balance sheet, signed copies of IRS Schedule F for the past 3-5 years should be included, or certified profit and loss report if available.

To qualify as a small farm business operation, gross receipts must not exceed \$275,000.00 per annum. There must be reasonable assurance of ability to repay the loan from the profits of the business.

Corporations, partnerships, as well as proprietorships are eligible.

As with all SBA loan programs,

applicant must be unable to obtain the credit from non-Federal sources, through the utilization of personal or family living expenses, or refinancing of same. Neither will



SBA loans be used to construct residential buildings unless they are essential to the business and not available from other Federal sources.

Loans can be for purchase of land, buildings and land improvements, farm machinery and equipment, and working capital.

Maturity will vary from one year for crop needs to seven years for working capital, up to 10 years for equipment and machinery, and up to 20 years for real estate.

Maximum loan guarantee is \$350,000.00 except in exceptional situations when SBA's share can be increased to \$500,000.00.

Because of uncertain availability of direct loan funds, (direct loan funds are extremely limited) successful farmers that have adequate borrowing capacity from private sources should not waste

their time and attempt to obtain direct loan funds from SBA. Applying for direct loans without bank participation will result in delays in loan processing while the required field visits and management evaluations are made by SBA personnel. Farmers and businessmen shopping for lower interest rates only are not encouraged to call SBA.

The purpose of SBA's business loan programs is to help provide the reasonable credit needs at reasonable rates and not to compete with private lending credit sources.

The maximum interest rate that may be charged on an SBA loan guarantee is now 10%.

Agricultural activities are also eligible for the Economic Opportunity Loan (EOL) program and the Water Pollution Control Loan program.

Fed Nominations

Three men have been nominated to fill two directorships on the board of the Federal Reserve Bank of Kansas City. An election this month will determine the new directors.

Two bankers were nominated for one of the posts: Vernon E. Bower, retired president and a director of the First National Bank, Worland, Wyo., and Philip Hamm, president

[Turn to back page, please]

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BAI To Present Call Report Preparation Clinics

A series of one-day clinics will be offered on a regional basis by Bank Administration Institute (BAI) in a concentrated effort to aid banks in call report preparation. BAI, with the cooperation of the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Federal Reserve System, has scheduled identical clinics to provide training and assistance to personnel responsible for preparation of these reports.

Five clinics still to be held are scheduled for December 6-9, with one each in Denver, San Antonio, Dallas, Tulsa and Kansas City.

Iowa News

AINSWORTH: Dan Engler has assumed the duties of assistant vice president of the Ainsworth State Bank succeeding Kenneth Keniston who transferred to the National Bank of Washington. Mr. Engler formerly was with Occidental Chemical in Sioux Falls and St. Louis.

CEDAR RAPIDS: Ragine C. Meade recently was named controller and Jay W. Anderson assistant vice president of Brenton Bank and Trust Co. Mrs. Meade has been

with the bank since it opened in 1972. Mr. Anderson has been with the South Des Moines National Bank.

MANSON: Arlen Kirkhart has joined the Manson State Bank as a vice president. He formerly was assistant vice president of the Sibley State Bank.

MASON CITY: First National Bank has announced the election of Janelle Patrick as assistant operations officer. She joined the bank in 1951 as a bookkeeper.

RIDGEWAY: Dennis R. Hovden has joined the Farmers State Bank as an officer trainee. For the past four and a half years he has been an associate manager in marketing development in the home office of Watkins Products, Inc., Winona, Minn.

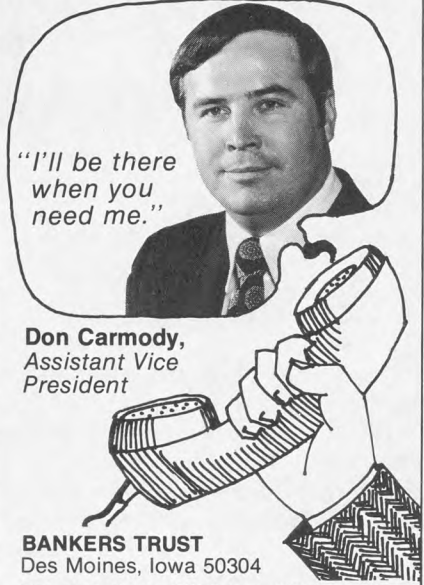
Nebraska News

DORCHESTER: The Federal Reserve Bank has announced its approval of the application of Dorchester State Company for approval to become a bank holding company through acquisition of 100%, less directors' qualifying shares, of the voting shares of Citizens State Bank here.

Minnesota News

The Minnesota Bankers Association is conducting a series of executive officer workshops this month and continuing through mid-December at 15 communities.

Call your roving correspondent at Bankers Trust



Don Carmody,
Assistant Vice
President

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Held yearly, the workshops allow executive officers of banks to meet to examine current banking issues and problems affecting top management personnel, and to discuss legislative proposals affecting the banking industry in the state. The workshops run from 1:30 until 5 p.m.

Locations and dates are: Nov. 22, Kahler Motel, Hibbing; Nov. 23, Holiday Inn, Brainerd; Nov. 24, Minneapolis; Nov. 29, Benson Golf Club; Nov. 30, Orchid Inn, Sleepy Eye; Dec. 1, McGuire's, Arden Hills; Dec. 6, Elks Club, Fergus Falls; Dec. 7, Best Western Motel, Thief River Falls; Dec. 8, Americana Inn, St. Cloud; Dec. 13, Royal Supper Club, Slayton; Dec. 14, Chat and Chew Cafe, Truman; Dec. 15, Holiday Inn, Owatonna, and Dec. 16, Chart House, Lakeville.

EDINA: Controlling shares in the Americana State Bank have been purchased by Harold S. Myers,

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Vice President

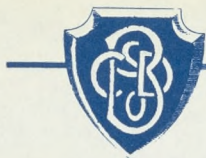
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NEW ISSUE

MOODY'S: "Aaa"
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\$4,000,000
DES MOINES, IOWA

General Obligation Essential Corporate Purpose Bonds

Dated: December 1, 1976

Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due June 1, 1977) payable at the office of the City Treasurer, Des Moines, Iowa.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES, IOWA FRANCHISE TAX AND ALL PROPERTY TAXATION IN THE STATE OF IOWA.

MATURITIES

<u>4.40%</u>		<u>4.70%</u>	
\$200,000 June 1, 1979	3.40	\$400,000 June 1, 1986	4.60
300,000 June 1, 1980	3.70	400,000 June 1, 1987	4.70
300,000 June 1, 1981	3.90	<u>4.80%</u>	
300,000 June 1, 1982	4.10	400,000 June 1, 1988	4.80
400,000 June 1, 1983	4.25	<u>4.90%</u>	
400,000 June 1, 1984	4.40	500,000 June 1, 1989	4.90
<u>4.50%</u>			
400,000 June 1, 1985	4.50		

LEGALITY TO BE APPROVED BY AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, ATTORNEYS, DES MOINES, IOWA.

Des Moines is the capital of the State of Iowa and also the county seat of Polk County. Since its incorporation in 1851, it has served as the commercial, industrial, governmental and financial center of the State. Des Moines is the home of Drake University (enrollment 5,800), Grand View Junior College (enrollment 1,600) and several other smaller colleges and business schools. Des Moines is an important insurance center with 58 home offices located in the City. The largest is Bankers Life Company with 1,860 employees. Also, important is the printing and publishing industry; the largest employer in this category is Meredith Corporation who employ 2,426 in the printing of **Better Homes and Gardens** and other periodicals. Besides insurance and publishing, there are an estimated 400 factories in the area with combined sales in excess of \$500,000,000. Major industrial employers in the area include John Deere (farm equipment, 2,800 employees); Firestone Tire (tires, 2,200 employees); and Pioneer HyBred Seed Co. (seeds, 1,400 employees). Large commercial employers located in Des Moines include Northwestern Bell Telephone (2,700 employees); Younkers Department Stores (2,440 employees) and Iowa Power & Light Co. (1,360 employees). In addition, it is estimated that the various levels of government provide employment to 16,500 people in the area. The population according to the 1970 Census was 201,404 and is presently estimated at 202,800. Des Moines is served by four airlines, seven railroads and 46 truck lines. Interstate highway No. 35 and 80 intersect in Des Moines. The area included within the City's limits is about 65 square miles.

These bonds are being issued under the provisions of Chapter 384, City Code of Iowa, 1975, as amended, to defray costs of the 1976-77 Capital Improvement Program. In the opinion of counsel, these bonds are legal and binding general obligations of Des Moines, Iowa, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

Actual and assessed value of taxable property, 1975-76	\$2,134,381,841
Direct debt, including this issue	49,305,000
Total direct and overlapping debt	70,674,300
Population, 1976 estimate: 202,800	Direct debt per capita: \$243.12
	Total debt per capita: 348.49

Tax collections have approximated 99.2% of taxes levied for the past five years.

We own and offer subject to prior sale and change in price and subject to our attorney's approving opinion.

Supplement to NORTHWESTERN BANKER NEWSLETTER, 11/22/76.

Experienced Bankers Available

The descriptions below represent only a sample of our current listings. Call and discuss the needs of your bank in complete confidence.

EXECUTIVE — ADMINISTRATIVE

- #4122—30 years experience; rural and semi-rural banks under \$20MM. Degree. Lending and operations. (Iowa)\$30,000
- #4194—20 years experience; rural banks under \$30MM. (Iowa)\$30,000
- #4168—25 years experience in \$20MM banks. (Minnesota)\$28,000
- #4077—Degree; 10 yrs. in banks to \$100MM; well qualified CEO for a metro area. (Illinois)\$40,000

COMMERCIAL LOAN

- #4403—20 years experience; now heads commercial loan department in \$40MM bank, including Agri, Real Estate, and some investments. (Iowa)\$28,000
- #4195—15 years experience, including acting CEO, controller, lending head, marketing, and advertising. (Illinois) ...\$25,000
- #3061—10 years same bank organization. MBA. Best suited to a metro area; likes Minnesota. (Nebraska)\$30,000
- #4049—10 years banking includes major industrial lending finance company; large bank experience; CCL certification; likes Illinois, Indiana, Kentucky; now in (Nebraska)\$35,000
- #4099—21 years with major industrial finance company; Degree; Divisional Vice President. Likes Nebraska, Iowa. (Missouri)\$25,000
- #4147—Junior officer; rapid advancement; Degree; some Real Estate loan experience as well as com'l loan. (Minnesota) . \$20,000

TRUST

- #4191—Senior department head, \$50MM department. Some business development experience; over 10 years in present bank. (Ohio)\$35,000
- #4041—Single female corporate trust officer in large bank. Law Degree and 3 years experience. (Missouri)\$18,000
- #2999—Investment officer; handles portfolio for \$100MM bank. Experience includes common funds & analysis. (Illinois)\$28,000

INSTALLMENT LOAN

- #4155—Junior officer; 3 years banking and 3 years finance company. Direct & indirect; new business; good potential. (Iowa) ...\$14,000
- #4140—#2 man in large department; direct; indirect, and leasing experience. Seeks challenge. (Nebraska)\$27,000
- #4162—Junior officer in small rural bank seeks challenge. Experience includes some real estate & servicing. (Kansas) ..\$14,000

OPERATIONS, AGRI-LOAN, ACCOUNTING and MARKETING officers (both junior and senior) are also available. Let us know of your needs.

NOTE: (1) To the best of our knowledge, all individuals above are available at press time, currently employed, and willing to re-locate. (2) States shown in parenthesis indicate where presently employed. (3) Salaries shown represent approximate expected starting base amounts and compare reasonably with present base incomes.

WE ARE NOT A "SEARCH AGENCY" —
Bankers must contact us and state their reason for a change to be listed.

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Experimental Results Analysis

The following table shows the results of the experiment. The data is presented in a clear and concise manner, allowing for easy comparison of the different conditions.

Condition	Parameter 1	Parameter 2	Parameter 3
Control	1.2	0.8	0.5
Condition A	1.5	1.0	0.7
Condition B	1.8	1.2	0.9
Condition C	2.1	1.5	1.1
Condition D	2.4	1.8	1.4
Condition E	2.7	2.1	1.7
Condition F	3.0	2.4	2.0
Condition G	3.3	2.7	2.3
Condition H	3.6	3.0	2.6
Condition I	3.9	3.3	2.9
Condition J	4.2	3.6	3.2
Condition K	4.5	3.9	3.5
Condition L	4.8	4.2	3.8
Condition M	5.1	4.5	4.1
Condition N	5.4	4.8	4.4
Condition O	5.7	5.1	4.7
Condition P	6.0	5.4	5.0
Condition Q	6.3	5.7	5.3
Condition R	6.6	6.0	5.6
Condition S	6.9	6.3	5.9
Condition T	7.2	6.6	6.2
Condition U	7.5	6.9	6.5
Condition V	7.8	7.2	6.8
Condition W	8.1	7.5	7.1
Condition X	8.4	7.8	7.4
Condition Y	8.7	8.1	7.7
Condition Z	9.0	8.4	8.0

CONCLUSION

The results of the experiment clearly demonstrate that the performance of the system improves as the conditions become more complex. The data shows a strong positive correlation between the complexity of the conditions and the performance of the system. This suggests that the system is capable of handling more complex tasks as it is exposed to more challenging environments.

David Myers and Jess Zimmerman. The group also owns banks in Iowa, Nebraska and Colorado, as well as, the State Bank of St. Anthony Village in Minneapolis. The bank also has enlarged its board to include Mr. Zimmerman, vice president. No other changes are anticipated.

HOUSTON: Funeral services were held recently for Joseph J. Kelly, 78, president of the Houston Bank.

HUGO: Nancy Eisenmenger has been named assistant cashier of the First State Bank.

NORTHFIELD: Mark Gelle has joined the Northfield National Bank's management training program. He recently received his degree in economics from St. Olaf.

ROBBINSDALE: First Robbinsdale State Bank has announced the election of J. David Waddington as vice president in the commercial lending division. He formerly was with People's Bank in Providence, R.I., as an assistant vice president in commercial lending.

Illinois News

Cattlefax, headquartered in Denver, Colo., will be holding a series of Cattle Market Outlook meetings throughout Illinois next month. The meetings will begin at 7:30 and end at 9:30 p.m. Dick McDougal, president of Cattlefax and vice president of AMCA, will be speaking at the meetings. Locations and dates are: Galesburg, Dec. 6, Holiday Inn; Sterling, Dec. 7, Emerald Hill Country Club, and De Kalb, Dec. 8, De Kalb County Farm Building.

COAL VALLEY: Rosalle J. Stoehr has been promoted to assistant cashier of the Coal Valley State Bank.

Colorado News

DENVER: United Bank of Denver has announced the appointment of Edward A. Schwartz to investment officer and King H. Harris to commercial banking officer.

South Dakota News

ABERDEEN: First National Bank has announced the promotions of Stanley Dardis to agricultural loan officer and Dennis Aas to installment loan officer.

DE SMET: The controlling interest in the Peoples State Bank has been sold to Leland Steele, president,

Farmers & Merchants Bank, Huron, and his son, Jack. The bank was purchased from the Meyer family which had owned it since 1919. The transition will begin January 1, and Mr. Meyer will continue as president for five years. He said that after the first year he will be relieved of the managership.

RAPID CITY: First National Bank of the Black Hills has announced the following staff changes: Myles W. Kennedy, assistant vice president, commercial loan department, main office; Dan R. Gasper, credit officer, main office; Kenneth G. Lester, manager, installment loan department, Deadwood office, and Taffy Bryan, personal loan officer, Deadwood office.

SIOUX FALLS: Rex C. Bahnson has been named marketing officer for United National Bank's branches throughout the state.

North Dakota News

The North Dakota Bankers Association will hold its 15th annual Agricultural Credit Conference at the Ramada Inn in Minot December 1-2. Registration begins at 3 p.m. Wednesday, Dec. 1. Topics of discussion will include: estate taxes, \$2.50 wheat, special farm loan programs, farm real estate lending and marketing.

FARGO: Negotiations have been completed for purchase of the controlling interest in the Dakota National Bank by Raymond A. Lamb, a Fargo attorney, and his father, Raymond F. Lamb of Michigan, N.D. The stock is being purchased from Sam Stern Trust, Edward A. Stern of New York, U.S. Senator Warren G. Magnuson, and A. M. Eriksmoen, bank president and chairman. Mr. Eriksmoen will continue in these posts.

ROLLA: David G. Landgrebe has been named assistant cashier and time pay manager of the First Bank of Rolla. He succeeds Steve Grell who is now with the First National Bank of Worthington, Minn. Mr. Landgrebe formerly was with the First National Bank of Brainerd, Minn.

Montana News

HELENA: A decision from District Court is expected soon on the suit filed by the Montana Bankers Association and 57 Montana banks to

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determine whether federal obligations are deductible by banks when figuring their state tax. Bank taxes are due November 30 in Montana. The court issued a stay order November 9 permitting the 57 banks not to pay their taxes until the decision is made. The other 98 Montana banks not joined in the suit must pay their taxes on the due date. If they pay them under protest, as allowed, they may obtain a refund if the court rules in the banks' favor. Those not filing under protest have no redress in the event of a favorable court decision.

Wyoming News

WRIGHT: An application has been filed for a state bank here. The town was dedicated during the summer by Atlantic Richfield Corp., which is conducting coal mining operations in the area. Filing the application are five Cheyenne men: Arthur Abbey, Sol Bernstein, E. John Deidrich, K. L. McShane and Robert Noel.

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of the First National Bank, El Dorado, Ks. Mr. Hamm is completing a three-year term as a director of the Reserve Bank begun in 1974. They were nominated as Class A directors by the Group 2 member bankers, those banks with capital and surplus of \$700,000 but under \$3 million.

Maurice B. Mitchell, chancellor of the University of Denver, was nominated for a Class B (nonbanker) position. His nomination is from

Group 1 banks, those with combined capital and surplus of \$3 million or more.

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Phone: 515/244-4414

POSITION WANTED
Bank officer seeking executive position or executive duties in a few years. 23 years experience. Strong in overall management and ag lending. Have all insurance licenses. Write Box TCU, c/o NORTHWESTERN BANKER, 306 15th Street, Des Moines, Iowa 50309.

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ADV. & MKTG.—Prefer special experience. Full charge of programs in bank over \$150MM.
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