

NORTHWESTERN Banker Newsletter

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April 17, 1978

Fed Issues Debt Collection Fact Sheet

To assist state member banks in complying with the new Fair Debt Collection Practices Act, the Board of Governors of the Federal Reserve System has issued a fact sheet and a set of questions and answers describing the responsibilities of banks under the Act.

Similar fact sheets and questions and answers were sent by the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency to banks supervised by those agencies.

The Act became effective March 20. It makes abusive and deceptive debt collection practices illegal for all individuals or businesses defined by the Act as debt collectors. Generally, a debt collector, under the Act, is anyone who regularly collects or tries to collect — directly or indirectly — consumer debt for someone else.

Any consumer who believes a bank has violated the Fair Debt Collection Practices Act in attempting to collect a debt from the consumer can lodge a complaint with the nearest Federal Reserve Bank or with the Federal Reserve Board in Washington, D.C. (20551), in writing or by telephone. The Federal Reserve will follow up on all such complaints (or refer them to the appropriate Federal bank regulatory agency if the complaint

is not against a state member bank).

Under the Act, Federal bank regulatory agencies may issue cease



“The Act prohibits communication with the consumer at work. . .if the employer does not allow such contact.”

and desist orders to halt violations and may require affirmative corrective action.

The Board’s fact sheet notes that the Act requires debt collectors to:

- At the outset of the debt collection process, or within five days thereafter, notify the consumer in writing of the amount of the debt, the name of the creditor and how the consumer may dispute the debt.

- Halt communications with a consumer upon written request to do so, except to let the consumer know that there will be no further communications, or to tell the consumer what further efforts will be made to close the case.

- Use payments made by the consumer as the consumer directs.

The fact sheet points out that the Act prohibits abuse and harassment, such as threats of violence or use of profane language by the debt collector; false and misleading statements, such as giving a false impression that documents are legal orders, and unfair practices such as misuse of postdated checks, or communicating by postcard.

The fact sheet also draws attention to certain specific practices that are prohibited, including contact by the debt collector with third parties, such as employers, except to find out where the consumer lives; communication with the consumer at work, if there is reason to believe the employer does not allow such contact, and telephoning or meeting the consumer at any unusual time or place except with consumer’s agreement.

The fact sheet provides detailed guidance as to when a bank is a debt collector as defined in the Act, and when it is not. Generally, the Act applies to a bank when it collects delinquent debts for others as a regular part of the bank’s business, or if it uses a name other than its own in collecting debts on its own behalf. A bank is generally not subject to the Act when it is collecting debts on its own behalf in its own name. Bank trust department activities are generally exempted by the Act.

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Iowa News

CORYDON: The Federal Reserve Bank of Chicago has approved the application of the Corydon Bancorporation to become a bank holding company by acquiring the Corydon State Bank.

DES MOINES: Larry L. Retherford has been elected vice president of the Howard J. Blender Company, Dallas, Tex., the nation's largest consulting firm dealing exclusively with banks. As reported in the April Northwestern Banker, Mr. Retherford resigned last month as senior vice president and operations manager at Central National Bank & Trust Co., Des Moines, where he had been a staff member since 1963. He will continue living in Des Moines.

HAMPTON: Steve Kruse has joined the Hampton State Bank as assistant cashier and loan officer. He formerly was agriculture loan

supervisor with the Farmers Home Administration in Denison.

MARSHALLTOWN: Security Savings Bank has withdrawn its application to convert to a national bank charter.

Nebraska News

Doc Severinsen of Tonight Show fame will lead off the upcoming 81st annual convention of the Nebraska Bankers Association April 30, May 1-2 in Omaha. Along with the singing group, "Today's Children," Doc Severinsen will perform at Omaha's Orpheum Theater on Sunday night, April 30. The sessions on Monday and Tuesday will feature a variety of presentations relating to banking, governmental affairs, the economy and other topics. Registration begins at 10 a.m. at the Omaha Hilton on Sunday.

AUBURN: Rick Ellis has joined the Auburn State Bank as a loan officer. He most recently was with the Commercial Bank of Blue Hill.

LA VISTA: The South Side Bank, located at 84th and Harrison Sts. in suburban Omaha, has changed its name to Bank of Nebraska.

LINCOLN: Michael B. Edwards, 29, has been elected vice president,

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secretary and compliance officer at First Mid America Inc. Before joining the firm in 1976 he was Nebraska securities commissioner and assistant director and legal counsel for the Nebraska department of banking and finance.

McCOOK: The American State Bank has filed a bank charter application. Its proposed capital is \$850,000. A hearing is scheduled at 9:30 a.m., May 23, at 301 Centennial Mall S., Lincoln.

MERNA: The application of the State Bank for federal deposit insurance has been approved. The bank has total capital accounts of \$250,000.

OAKLAND: The Federal Reserve Bank of Kansas City has announced its approval of the application of Oakland Financial, Inc., Omaha, to become a bank holding company through acquisition of 91% or more of the voting shares of The Farmers and Merchants National Bank of Oakland.

OMAHA: Ames Holding Company, Ltd., has received approval to

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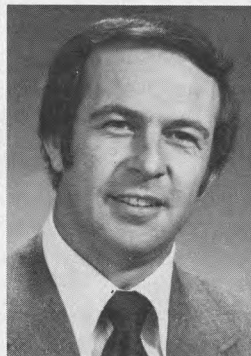


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DES MOINES, IOWA

NEW ISSUE

MOODY'S: "A"

\$10,200,000

NAPERVILLE, ILLINOIS

General Obligation Corporate Purpose Bonds, Series 1978

Dated: April 1, 1978

Denomination: \$5,000

Both principal and semiannual interest (June 1 and January 1, first coupon due July 1, 1979) payable at the Northwestern National Bank of Minneapolis, Minneapolis, Minnesota.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES.

MATURITIES

	<u>5.70%</u>			<u>5.10%</u>	
\$300,000	January 1, 1981	4.35	\$ 850,000	January 1, 1989	5.05
350,000	January 1, 1982	4.50	900,000	January 1, 1990	5.10
350,000	January 1, 1983	4.60		<u>5.20%</u>	
525,000	January 1, 1984	4.70	900,000	January 1, 1991	5.20
650,000	January 1, 1985	4.75		<u>5.25%</u>	
	<u>5.00%</u>		1,000,000	January 1, 1992	5.25
650,000	January 1, 1986	4.80	1,050,000	January 1, 1993	5.30
775,000	January 1, 1987	4.90	1,050,000	January 1, 1994	5.35
850,000	January 1, 1988	5.00			

LEGALITY TO BE APPROVED BY CHAPMAN AND CUTLER, ATTORNEYS, CHICAGO, ILLINOIS.

Naperville is located in southwestern DuPage County approximately 35 miles west of Chicago. As a growing community, Naperville enjoys fine residential areas and a diverse economic base. Carefully controlled development has allowed the City to retain its reputation as a fine residential community and yet enjoy the financial advantage of commercial and industrial growth. New homes being built in the City must meet strict construction requirements and start at \$80,000-\$90,000, ranging up to \$150,000. In addition to the older manufacturing firms such as Kroehler Mfg. Co. (formed in 1893, 700 employees) and DuPage Boiler (formed in 1931, 60 employees), the community has attracted new, quality industrial and research complexes such as the Amoco Research Center (1,500 employees), Bell Laboratories (1,800 employees), Amoco Chemical & Oil Companies, National Biscuit Company and Northern Illinois Gas Company. Many residents who do not work in the City commute to Chicago via the Burlington Northern Railroad of the easily accessible East-West Tollway and the Eisenhower Expressway.

These bonds are being issued for the following purposes: \$4,200,000 for General Government capital improvements; \$3,900,000 for electric utility capital improvements; \$1,000,000 for revolving cash fund and \$1,100,000 for payment towards partial redemption of part of \$3,200,000 general obligation notes issued October, 1977 along with cash on hand. In the opinion of counsel, these bonds are legal and binding general obligations of Naperville, Illinois, 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

Market value of taxable property, 1977	\$643,736,637
Assessed value of taxable property, 1977	214,578,879
Net direct debt, including this issue	16,552,000
Total direct and overlapping debt	35,710,942
Population, 1978 estimate: 40,000	Direct debt per capita: \$413.80
	Total debt per capita: 892.77

Tax collections have approximated 98.1% 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.

The information contained in this circular is not guaranteed, but is derived from sources we deem reliable and is that on which our purchase of these bonds was based. Offered subject to prior sale and change in price.

Supplement to the Northwestern Banker Newsletter 4-17-78

Midwest Bank Builders & Designers Announces A Service To Bankers (for a change)

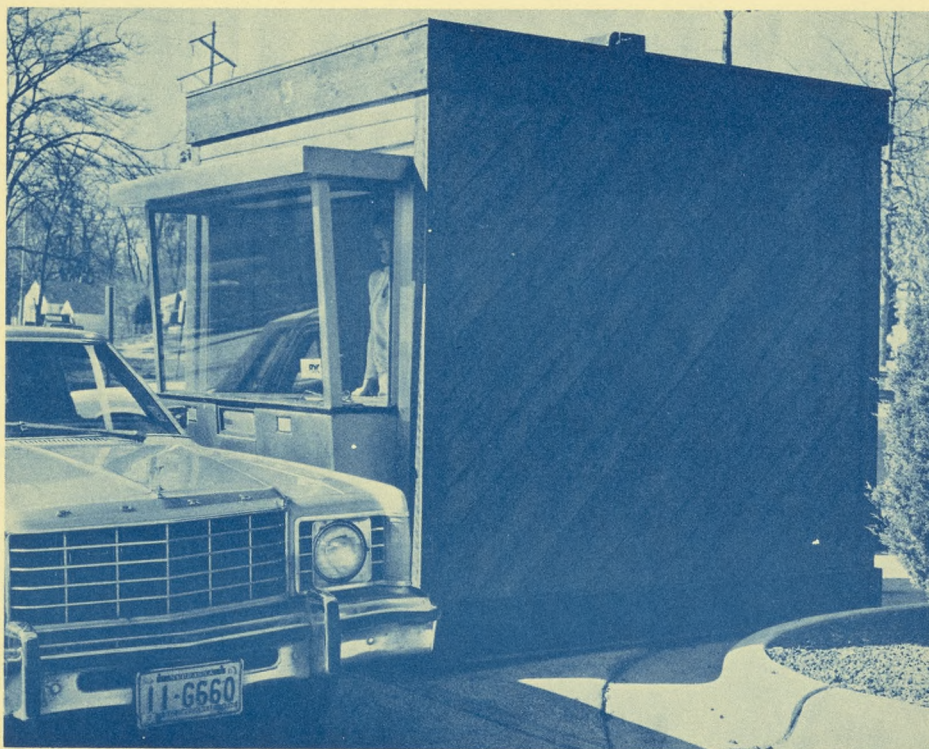
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Illinois News

CHICAGO: FDIC Chairman George LeMaistre, ABA's Gerald M. Lowrie, and ABC-TV's senior correspondent Frank Reynolds are three headliners scheduled to address the 87th annual convention of the Illinois Bankers Association. The meeting will be held June 4-6 at the Peoria Hilton Hotel in Peoria. Details are in the May Northwestern Banker.

ORLAND PARK: A charter has been issued to the Orland Park Plaza Bank, 153rd Street & LaGrange Road. The state banks total capitalization of \$1,500,000 will consist of \$600,000 in both capital stock and surplus and \$300,000 in reserve for operating expense. The 150,000 shares of stock will have a par value of \$4 each. Officers are: Terrence Kunes, chairman; and Albert T. Coley, president and cashier. Directors are: Terrence Kunes, Palos Park and Andrew Simko, Palos Park; James F. Hughes, Palos Heights; Thomas E. Doyle, Flossmoor; Albert T. Coley, Hickory Hills; James J. Broad, Chicago; Bruce Johnson, Mokena, and Herbert V. Huskey, Oak Lawn.

Minnesota News

ANNANDALE: Dwayne Bruns has been elected executive vice president of the Annandale State Bank. He replaces David T. Dahl who resigned to become president of the Citizens Bank of Shakopee.

DOVER: David L. Asche has been named loan officer at the First State Bank.

EOYTA: Farmers State Bank has received consent to establish a facility at U.S. 14 & 15 Avenue, Southeast, Rochester.

GRAND MEADOW: Edward L. Ziemer has been promoted to cashier of the First American State Bank. He also is agricultural representative of the three First American banks in Mower County.

GRANDIN: Gaylon Anderson is the new branch bank manager of the Grandin Office of the Northwestern Bank of Hillsboro.

LEWISTON: David A. Marchwick has joined the Security State Bank as cashier, succeeding Arnold C. Burfeind who has retired after 28 years of service. Mr. Marchwick formerly was cashier of the State Bank of Rose Creek. Jean E. Schultz, bank assistant cashier, and Lyle J. Nienow, vice president of Lewiston Auto Co., Inc., have been added to the bank's board.

MINNEAPOLIS: Richard E. Struthers has joined the Midland National Bank as assistant trust administrator on the trust-investment department. He formerly was with the Internal Revenue Service.

MINNEAPOLIS: First System Services, Inc., has announced the appointment of Donald K. Tait as bank card center officer. He has served as operations manager of the center since its inception in 1976.

MINNEAPOLIS: James L. Boettner has been elected assistant vice president of the Third Northwestern National Bank. Prior to joining the bank he was with Northwestern National Bank of St. Paul for eight years in the operations and personnel areas.

ST. PAUL: Commercial State Bank has announced the promotions of Frank Jandric to assistant vice president of the commercial lending department, and Peter LaNasa to assistant vice president of the personal banking and instalment lending department.

SANBORN: Sanborn State Bank has announced the following staff changes: Connie Severson, vice president and cashier, to executive vice president; Lois Dammann, to cashier and auditor; Steve Eaton, to vice president and manager of

the Sanborn Insurance Agency; Sharon Tadd and Irene Zimmermann, assistant cashiers, and Karen Dittbenner, teller and bookkeeper.

SLAYTON: James W. Lundberg has been elected personal loan officer of the Northwestern Bank. Douglas Schaap, assistant vice president, has assumed the duties of agricultural representative.

Colorado News

BOULDER: Richard C. Reed was appointed assistant vice president and business development officer for the First National Bank.

DENVER: Morey K. Cohen was promoted to vice president of trust operations at American National Bank while William W. Howard was named vice president of the items processing department.

ENGLEWOOD: Al Pflaster was named senior vice president and cashier at Continental National Bank. Harold Flora was named vice president of real estate, and Jim Fleming and Michael A. Ohaver

Bankers Service

LOAN ACTIVITY BULLETIN

- Who:** names of all debtors in the county recorded during the period
- What:** name of secured party
- When:** the date the loan was filed with the Secretary of State
- Where:** location where loan made

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Special Projects

Sickness

were named assistant vice presidents for commercial loans.

FORT COLLINS: Dennis Braiden was promoted to manager of the mortgage loan production office at 3000 S. College Avenue for the First National Bank.

MONTROSE: Clarence R. Corder was promoted to senior vice president at the First National Bank while Carol B. Hoadley was named corporate secretary and Margaret L. Goodhue became mortgage loan officer.

North Dakota News

The 1978 North Dakota Bankers Association Consumer Credit Conference will be held May 4-5 at the Ramada Inn, Dickinson. Golf tournaments will be held Thursday, May 4, followed by a social hour, dinner and dancing. Registration for the conference will be held from 8:30-9:30 a.m. Friday, May 5. The business session will begin at 9 a.m. Topics of discussion will include lease financing, bank compliance with federal laws, rules and regulations and strategies for motivation.

Wyoming News

CASPER: First National Bank has announced the promotions of Bradley J. Thomas to data processing officer, and Steve Caperton to assistant operations officer.

CASPER: Robert W. Miracle, president of the Wyoming National Corporation, has announced that the Corporation's application for a new bank in East Casper has been approved by the Comptroller of the Currency. The bank will be known as the Wyoming National Bank of East Casper and will be located at the corner of Thelma Drive and East Second Streets. Construction of the building is scheduled for completion in mid 1979.

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- EXECUTIVE OFFICER**—Rural bank of \$20 MM. Assume duties of EVP with opportunity for further advancement. Ag-Lending background a must \$22,000
- AG-LOAN**—\$25MM Illinois bank. Definite opportunity for upper management responsibilities \$18,000
- EXEC. VICE PRES.**—\$20MM rural bank close to college community. Operations and lending responsibilities. Progressive organization \$25,000
- SENIOR AUDITOR**—Established audit program for major midwestern holding company. Degree and CPA experience desired \$9 Open
- COMMERCIAL LOAN**—Country bank of \$20MM. Handle retail, light industrial and Manufacturing credits. Opportunity to join management \$20,000

Other opportunities available. All inquiries handled on a strictly confidential basis.

TOM HAGAN & ASSOCIATES

Linda Blue Smith, President
 Box 12346 - 208 E. 18th Ave.
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