NORTHWESTERN
Banker Newsletter

Vol. 7 No. 2 | Des Moines, Iowa | May 8, 1978

Banking Leaders Discuss EFT, Other Bills

Broad federal legislation governing the development and implementation of electronic funds transfer systems would be premature at present. That was the position reaffirmed by about 350 bankers attending the ABA's Banking Leadership Conference at The Greenbrier recently. John H. Perkins, president-elect of ABA and president of Continental Bank, Chicago, gave a report on that action in his address to the Nebraska Bankers Association annual convention in Omaha last Monday following conclusion of The Greenbrier meeting.

However, he said, recognizing that several EFT bills are under consideration in both House and Senate, the members of the association's Government Relations Council decided that if any EFT legislation is to be enacted into law it should incorporate the following points:

• **Sharing of EFT facilities.** All federally and state chartered depository institutions should be free to share EFT systems which they own or operate, provided that every institution be entitled access to an EFT system.

An expedited administrative process should be established to process appeals resulting from access being denied a financial institution. The mechanism for this process should be an appropriate panel of financial industry regulators. It is feared that the alternative may be substantial

litigation on a case-by-case basis, resulting in serious competitive disadvantages to the institution denied access. The basic standards to be applied in the evaluation of an access denial appeal should be: serious competitive disadvantage and the lack of a reasonable EFT system alternative.

Federal enabling legislation should provide federally chartered institutions the same opportunity as state chartered institutions to develop EFT systems in a competitive sharing environment.

• **Deployment of EFT facilities.** Regulation of EFT terminals with respect to deployment should be based on the services provided through the terminals. Information functions (check authorization, check verification, and check guarantee), funds transfer functions (withdrawal and debit transfers), as well as certain credit functions should not be regulated as to deployment — in effect, national deployment should be allowed.

Inasmuch as terminals do not possess all of the characteristics of branches, they should not be regulated by the same rules which govern branches. Rules for off-premise deployment of terminals should be more liberal than those for branches.

Deposit-taking should be allowed on a statewide basis, and states should be allowed to enact reciprocal enabling legislation for deposit-taking services through EFT terminals across state lines where market areas cross state lines.

In the event of federal legislation providing for interstate deployment of deposit-taking EFT facilities, the states should have the power to nullify such legislation.

National banks should be authorized immediately to deploy terminals in the state in which they are located in accordance with laws allowing state chartered deployment.

• **Following adoption by ABA's Government Relations Council,** the EFT position statement was debated by the members of the Banking Leadership Conference,

BANK CONFERENCE . . .
[Please turn to page 7]

Iowa News

Harry J. Lavigne, senior vice president of Central National Bank and Trust Company, Des Moines, was elected president of Iowa Automated Clearing House Association. Other officers elected are: vice president, John M. Sagers, president and chief executive officer, Peoples Bank and Trust Company, Cedar Rapids; secretary, John A. Sikkink, senior vice president, Iowa-Des Moines National Bank, and treasurer, Harold Gandy, senior vice president, Bankers Trust Company, Des Moines.

AMES: Jerome (Jerry) Greving has joined the University Bank & Trust Co. as auditor and assistant cashier. Mr. Greving, a CPA, formerly was with Frank J. Enbush & Co., Mason City, and Mahaska State Bank, Oskaloosa.

BATTLE CREEK: Jack Lenz, Jr., has been appointed vice president of the First State Bank. He has about 10 years of experience in banking, most recently at the First National Bank of Stanton, Nebr.

CARTER LAKE: An application for a state charter for First Bank and Trust Company of Carter Lake has received approval of the Iowa banking board and was awaiting final determination by State Banking Superintendent Tom Huston late last week. Applicants include Mark Starr and his brother, Frank Starr III, Omaha attorneys and bankers.

CLINTON: Charles S. Bullock has been appointed vice president of commercial loans at the Clinton National Bank. Mr. Bullock has been a national bank examiner working in Iowa, Missouri and Kansas since 1972.

DES MOINES: A new opinion was issued by the Attorney General stating that points can lawfully be charged, without limit, to either the buyer or the seller, or both, on a consumer loan secured by a first lien on the dwelling of the debtor given to finance the acquisition of that dwelling. The $35,000 limitation does not apply. But, no points can be charged on a loan to a non-corporate builder who does not intend to make the building his own personal dwelling. Nor can points be charged on a loan for the purpose of acquiring rental property.

The Attorney General brought mortgage lending in Iowa to a standstill when he issued a ruling on April 26 that points could not be charged on mortgage loans over $35,000. He later admitted that he was in error and issued the new opinion on April 28.

FORT DODGE: Central National Bancshares, Inc., Des Moines-based multi-bank holding company, has announced that over 93% of the outstanding shares of common stock of Union Trust & Savings Bank here have been tendered under the terms of the offer to purchase made on March 30 by Central to purchase all of the outstanding common stock of Union Trust. The period during which the offer may be accepted has been extended to June 15.

GRISWOLD: Open house in the new building for Griswold State Bank will be held May 20-21.

IOWA CITY: The Federal Reserve Board has denied the application of Eicher Bancorporation to become a bank holding company by acquiring Hawkeye State Bank.

MAPLETON: The Mapleton Trust and Savings Bank will hold a Centennial Open House celebration on May 25 from 9 a.m.-5 p.m. and on May 26 from 9 a.m.-8:30 p.m. Included will be displays of antique farm equipment outside and dis-

CARLETON D. BEH CO.

INVESTMENT SECURITIES

TELEPHONE
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DES MOINES BUILDING

DES MOINES, IOWA

NEW ISSUE **MOODY'S: "Aa"**

$2,315,000
WEST BEND, WISCONSIN
General Obligation Corporate Purpose Bonds, Series 1978

Dated: April 1, 1978 Denomination: $5,000

Both principal and semiannual interest (July 1 and January 1, first coupon due January 1, 1979) payable at 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

	4.60%	
$ 75,000	July 1, 1979	4.10
	6.10%	
80,000	July 1, 1980	4.20
85,000	July 1, 1981	4.35
90,000	July 1, 1982	4.50
90,000	July 1, 1983	4.60
	5.50%	
95,000	July 1, 1984	4.70
	4.80%	
100,000	July 1, 1985	4.80
	4.90%	
105,000	July 1, 1986	4.85
110,000	July 1, 1987	4.90
	5.00%	
120,000	July 1, 1988*	5.00
125,000	July 1, 1989*	5.05
	5.10%	
$130,000	July 1, 1990*	5.10
	5.20%	
135,000	July 1, 1991*	5.15
	5.25%	
145,000	July 1, 1992*	5.25
	5.30%	
150,000	July 1, 1993*	5.30
	5.40%	
160,000	July 1, 1994*	5.35
165,000	July 1, 1995*	5.40
	5.50%	
175,000	July 1, 1996*	5.45
180,000	July 1, 1997*	5.50

*Optional in inverse order beginning July 1, 1987 at 100%.

LEGALITY TO BE APPROVED BY QUARLES & BRADY, ATTORNEYS, MILWAUKEE, WISCONSIN.

West Bend, the county seat of Washington County, is located in south eastern Wisconsin approximately 30 miles northwest of Milwaukee. The principal source of economic activity in West Bend is manufacturing. The City is well known due to national and international distribution of products manufactured in West Bend. Leather goods, farm machinery, automotive products, aluminum and stainless steel cooking utensils, kitchen and home appliances, radar devices, water heaters, universal joints, power lift equipment, screw machine products, beverages, industrial equipment, travel trailers and recreational vehicles, gasoline engines, and building materials are among the items manufactured in West Bend. The West Bend Company, a division of Dart Industries, Inc., a "Fortune" 500 Corporation is the largest taxpayer and employer (2,700 employees).

These bonds are being issued for the following purposes: $468,000 to construct bridges; $257,500 to construct and equip a University of Wisconsin center; $151,500 to acquire an airport site; $262,250 to acquire lands for a park; $151,500 to provide street improvements; and $1,024,250 to acquire, improve and equip parking facilities. In the opinion of counsel, these bonds are legal and binding general obligations of West Bend, Wisconsin, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal and interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

Market value of taxable property, 1977	$344,175,000
Assessed value of taxable property, 1977	290,174,505
Net direct debt, including this issue	4,647,000
Total direct and overlapping debt	12,622,108
Population, 1978 estimate: 21,800	Direct debt per capita: $213.17
	Total direct debt per capita: 578.99

Under Wisconsin Statutes, a City always receives 100% of the taxes levied for it, as the County assumes all delinquencies.

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

plays of western antiques and cut-glass exhibits inside.

MASON CITY: The First National Bank has announced the election of Gerald C. Niemeyer as correspondent banking officer. He formerly was senior service representative with Northwest Computer Services, Inc., Minneapolis, Minn.

Nebraska News

Karl E. Dickinson, president of Gateway Bank and Trust Company, Lincoln, was advanced to president of the Nebraska Bankers Association at the annual convention in Omaha last week. He succeeds Harold E. Larmon, president, First National Bank of McCook. James W. McBride, president, First National Bank of Aurora, was named president-elect. Mr. Larmon was elected to the ABA governing council for a two-year term.

At the NETS meeting during the convention, NETS President S. N. Wolbach, chairman, First National Bank, Grand Island, said that group will investigate the failure of some banks to share EFT terminals with other banks, then file a complaint, if necessary, with Nebraska Banking Director Wm. Riley to force compliance with state law which requires mandatory sharing of terminals with like institutions. Executive officers of several large Omaha and Lincoln banks said later they are trying to work out differences to expedite the required sharing.

The NBA President's Golf Classic is scheduled for May 16 at Lockland Country Club, Hastings. There will be a shotgun start in the morning and mid-afternoon buffet. At state convention time, 110 were registered for the Classic, and a total of 140 can be accepted.

Complete convention details and pictures will be in the June NORTHWESTERN BANKER.

LINCOLN: Herman Brockmeier, 60, executive vice president of National Bank of Commerce, announced last week he is taking early retirement sometime in mid-summer, after 41 years of service with the bank.

OMAHA: A disastrous fire the afternoon of April 28 caused damage estimated in excess of $100,000 to the home of Phil and Gretchen Giltner. He is president of the First National Bank of Omaha. Mrs. Giltner, who was home alone, escaped unharmed from the fire which originated in an electrical switch box in the basement. Four rooms and all their clothing were destroyed.

OMAHA: Denise A. Ashford has been promoted to commercial loan officer at the United States National Bank. She joined the bank in 1976 as a credit analyst.

Illinois News

Thomas M. Rochford, president, Bank of Illinois, Champaign, has been elected chairman of Electronic Funds Illinois, Inc., replacing Daniel N. Quigley of Chicago who resigned. Mr. Rochford has been serving as a director. Mr. Quigley is executive vice president of the National Boulevard Bank in Chicago.

CUBA: Wayne Grove, formerly vice president at American National Bank & Trust Co., Chicago, has purchased controlling interest of the State Bank of Cuba. He will serve as president and director, succeeding Joe R. Gibson, who will continue as chairman.

FORSYTH: A permit to organize has been issued to The Hickory Point Bank, Hickory Point Mall. The state bank's total capitalization of $1,100,000 will consist of $400,000 in both capital and surplus and $300,000 in reserve. The 40,000 shares of stock will have a par value of $10 each. Organizers are: Larry A. Bear, Erick C. Brechnitz, Philip B. Burton, Michael I. Campbell, William B. Cannon, Herbert C. Fritz, Oral Jones, Paul E. Jurgens, Charles O. Stanley, B. A. Swartz, and Philip R. Wiant, all of Decatur.

GRIDLEY: The application of First Gridley BanCorporation, Inc., to become a bank holding company by acquiring First Bank & Trust Co. has been approved.

SKOKIE: Ted Axton, former vice president of American National Bank & Trust Co., Chicago, has been named executive vice president of the Old Orchard Bank here.

Minnesota News

The following banks have increased their capital stock by sale of new stock: Farmers State Bank of Eyota, from $100,000 to $200,000; Summit State Bank of Phalen Park, St. Paul, from $330,000 to $480,025; Ogema State Bank from $100,000 to $127,000, and Security State Bank of Marine, from $120,000 to $150,000.

CLOQUET: Rodney P. Thomson was named president of City National Bank, succeeding Don Kearney. Mr. Kearney served as interim president after Roger O. Johnson left the bank on March 1. Mr. Thompson also is chief executive officer at the Carlton National Bank.

DULUTH: Bruce R. Nevala has joined the Northwestern Bank of Commerce as commercial loan officer. He most recently was assistant vice president in charge of the instalment lending department and head security officer at Northern State Bank, Virginia.

MINNETONKA: The U.S. Comptroller of the Currency has disapproved applications by Northwestern National Bank of Minneapolis and First National Bank of Minneapolis to put branches in the Ridgedale Center area here.

ST. PAUL: Robert E. Schneeweis was elected auditor of the Midway National Bank. Breck Cassidy was appointed data processing officer.

VIRGINIA: Paul W. Wenino has been promoted to loan officer, commercial and real estate, at The First National Bank.

South Dakota News

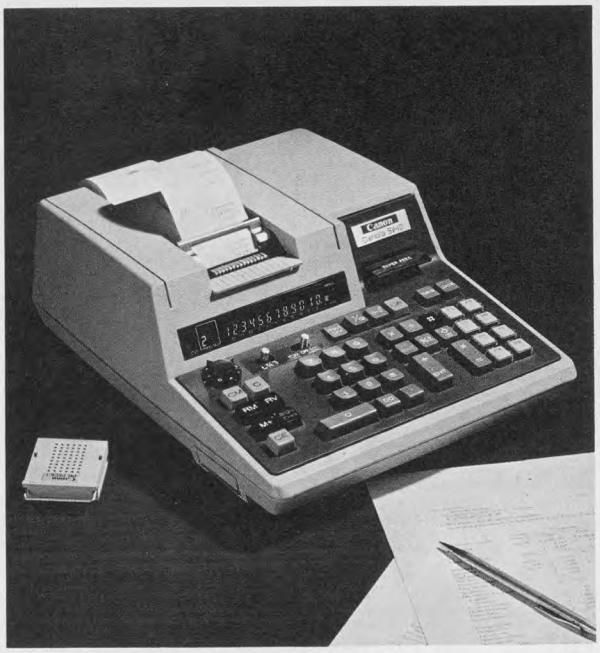
CANISTOTA: Glenn E. Donaldson has been named head of the Canistota branch of the United National Bank, Sioux Falls.

HOWARD: Miner County Bank has increased its capital stock from $100,000 to $125,000.

North Dakota News

COOPERSTOWN: Kim Gutenkunst has been elected agricultural representative and instalment loan officer at the First State Bank.

RUGBY: Barry Medd has joined the Citizens State Bank as assistant agricultural loan mana-



"More accurate than the rate book"

"Not only a great time-saver, but makes installment loans more profitable."

easy to operate — no programming required
only $950.00, optional system II —$1,045.00.

These are comments made by Iowa bankers after using the Canon SV-10. Here are many features they found:

- a 200 year built-in actual calendar
- ability to check a prior installment loan and disclose the true APR
- versatile compounding key, finds future value, present value
- all Iowa insurance rates built-in
- actuarial rebate to the nearest day on interest, rule of 78's on premiums
- service charge option: added directly to interest; with true APR disclosure
- given today's date and any number of days: finds future date (including day of week)
- given any two dates: finds actual number of days between
- change any part of the loan without starting over and reprint the complete disclosure in a matter of seconds
- computes weekly, semi-monthly, monthly, quarterly, semi-annual, annual, skip, and balloon payment schedules.
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For a personal demonstration and names of Iowa bankers now using this system contact:

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Supplement to the Northwestern Banker Newsletter 5-8-78

ger. He formerly was a field specialist and plant manager for Minn-Dak Seeds in Donaldson, Minn.

Colorado News

DENVER: Central Bank of Denver has announced the promotions of Paul D. Shepherd to assistant vice president of commercial loans and Nancy A. Cox to customer service officer.

DENVER: Bruce W. Hulbert was elected president and chief executive officer of the American National Bank. He succeeds Robert J. Frank, who was fired last month for allegedly not reporting loans he had taken out at other banks. Mr. Hulbert was senior vice president at United California Bank in Los Angeles. Both banks are subsidiaries of Western Bancorporation.

FT. COLLINS: Wes G. Johnsen was named president and director of the United Bank of Fort Collins replacing Bob Dunn, who has resigned as president but will remain as chairman. Mr. Johnsen formerly was president and chief executive officer of the United Bank of Littleton.

JEFFERSON: Meddie Boisvert has been named manager of the new commercial instalment loan department at Jefferson Bank and Trust. He is vice president.

BANK CONFERENCE . . .
[Continued from page 1]

who gave it a tempered, limited endorsement. Concerns expressed by the banking leaders included the question of whether specialized thrift institutions or credit unions sharing the use of bank owned or operated EFT systems should continue to enjoy the interest rate gap in their deposit-gathering activities and whether federal EFT laws should preempt some state statutes relative to deployment and sharing.

Mr. Perkins said the Leadership Conference also considered other important issues, including:

• **Safe Banking Act:** The House financial institutions supervisory subcommittee is considering this, along with a related Treasury Department bill. It is possible that subcommittee chairman F. St. Germain will bring forth this week the results of a private survey his staff conducted last winter, using a 10% sampling of the subjective criticisms from examination reports. The FDIC already has covered all aspects of these reports and the St. Germain study is based entirely on the worst part of the reports to bolster his bill. There is a move to have the subcommittee drop the Safe Banking Act and Treasury's bill and work on HR 9450, the companion to S 71, which is a better bill and gives regulatory authorities new enforcement tools. These include cease and desist powers against banks and bankers; power to levy fines of up to $1,000 per day against banks and bankers involved in unsafe or unsound practices; allowing removal through due process of bank officers or directors engaged in unsafe or unsound practices. ABA has supported this concept for three years.

• **International Banking Act:** ABA supports this bill, passed by the Senate, which is aimed at equalizing supervisory and safeguard procedures of foreign banks with domestic banks in their U. S. operations.

• **Central Liquity Fund for Credit Unions:** The banking leaders decided not to oppose this bill but want to insure that it doesn't become a vehicle for cheap money to credit unions since the bill presently does not provide any safeguards for access to or use of funds.

• **Tax Reform.** This deals especially with the issue of double taxation of dividends. As currently proposed, this legislation gives stockholders a credit on individual tax return in relation to taxes paid by the corporation issuing the dividends. It is felt this will make bank stocks look worse and ABA is offering amendments to treat bank dividends in an alternate fashion.

Fed Approves Automatic Funds Transfers

The Federal Reserve Board voted to allow its 5,700 member banks to offer automatic transfer of funds from savings to checking accounts last week, and as this Newsletter went to press the FDIC was taking similar action for about 9,000 banks under its jurisdiction.

The s & l industry offered bitter opposition to the move, but the Fed prevailed by arguing that automatic transfers would reduce overdrafts. Congress may be asked to either block automatic transfers or to approve writing checks on interest-bearing accounts before the November 1 start up date.

WANT ADS

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1 Burroughs TC-700 Teller Terminal and 1 NCR 402 2 Pocket Proof Machine. For more information contact: Kenneth R. Kepp, Asst. Operations Officer, Bank of Clarendon Hills, 200 Park Ave., Clarendon Hills, Illinois 60514, (312) 325-0500.

POSITION AVAILABLE

Agricultural representative with insurance license for $16 million bank in progressive, northwest Iowa community. Write Box ACS, c/o NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Ia. 50309.

POSITION AVAILABLE

Immediate opening for farm representative with agriculture lending experience and to assist in bank insurance agency for $16MM west-central Iowa bank. Write ACR, c/o NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Ia. 50309.

POSITION AVAILABLE

Assistant to president-loan officer with agricultural and instalment lending experience for $22 million bank in western Illinois near Iowa border. Write Box ACI, c/o NORTHWESTERN BANKER, 306 - 15th Street, Des Moines, Ia. 50309.

POSITION AVAILABLE

Experienced banker to assume position of president in a $35 million bank located in a midwestern town of 12,000. Administrative and lending experience essential. Please send resume & salary requirements to File ACT, c/o NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Ia. 50309.

FOR SALE

Pitney Bowes model 5460 mailing machine. One year old, excellent condition. Contact Ed Rosen, Custom Leasing, 2120 So. 72nd St., Omaha, Neb. (402) 397-5505.

CAREER OPPORTUNITY

Immediate opportunity for qualified person in bank insurance agency. Also to assist with operation accounting and loans. Some experience & rural background preferred. Excellent career potential, compensation and benefits. Contact: E. J. Lund, Pres., State Bank of Shelly, Shelly, Minn. 56581 or call 218-886-6115/6681.

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POSITION WANTED

Experienced bank loan officer desires Eastern Iowa-Western Illinois relocation. Resume upon request. Write Box ACQ, c/o NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Ia. 50309.

WANTED TO BUY

Addressograph and Graphotype equipment. Please list model and serial number of machine. Write P.O. Box 607, Boone, Ia. 50036.

POSITION AVAILABLE

$60 million bank in South Central Iowa seeks person with college degree or equivalent work experience in accounting. Background in auditing, operations or financial reporting would be helpful. Send resume and salary requirements in confidence to File GKX, c/o NORTHWESTERN BANKER, 306 - 15th Street, Des Moines, Iowa 50309.

FOR SALE

National Cash Register Postronic Bookkeeping Machine now under service contract, also Burroughs Sensimatic Bookkeeping Machine not under service contract. Submit your bid and within 30 days these will be sold regardless of price. Farmers State Bank, Douglas, Nebraska.

POSITIONS AVAILABLE

LOAN OFFICER—Should have solid credit background with emphasis on Ag. Western Rocky Mountain area; #2 position $23,000

BUSINESS DEVELOPMENT—Missouri metro-area. Background in instalment credit and ability to generate new business. Junior officer position $16,000

TRUST OFFICER—$40MM dept. in Iowa bank. Personal trust and investment experience desired. Law Degree not necessary $19,000

AG-LOAN—Midwestern bank of $30MM. Service Ag, real estate, and instalment customers from full service branch. Insurance licenses helpful $20,000

CONTROLLER—Bank of $30MM located close to metro-area. Responsibility for all regulatory reports, tax returns, and accruals. Senior management position. Degree required $18,000

JUNIOR OFFICERS—Many fine opportunities for those with 2-3 yrs. bank experience in operations or lending.

Many additional positions are available. If you desire a change, please send resume and salary history. Your inquiry will be handled in a confidential manner.

TOM HAGAN & ASSOCIATES
Linda Blue Smith, President
Box 12346, 208 E. 18th Ave.
NKC, MO 64116 816/474-6874

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