

NORTHWESTERN Banker Newsletter

Vol. 8 No. 30

Des Moines, Iowa

November 19, 1979

Banks Increase Credit to Farmers

AGRICULTURAL banks continued to provide increasing amounts of farm credit through mid-1979 despite growing shortages of funds, results of the American Bankers Association 1979 Agricultural Credit Survey indicate.

Conducted by the ABA Agricultural Bankers Division, the survey shows that during the past year, country bank management not only had to contend with the usual problems of evaluating farmers' financial statements, but also with the complex business of procuring funds.

The results of this survey, made available for the first time to the nearly 1,700 attendees at the annual ABA Agricultural Bankers Conference last week in Salt Lake City, show most banks accomplished these tasks while improving the quality of their farm loan portfolio.

Listed below are highlights of the survey:

- Over 60% of all banks surveyed reported increases in their non-real estate farm loan portfolio between June, 1978, and June, 1979. Only 7% reported a decline and 30% reported no change.

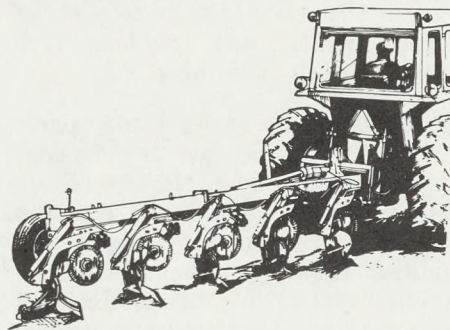
- More than 40% reported the overall quality of their farm loan portfolio improved last year. About 50% reported no change. Only 8% reported a decline—the smallest proportion since 1975.

- Loan renewals, refinancings and delinquencies continue to trend

downward, while repayment rates have increased.

- The loan fund situation is the tightest it has been in the last five years. Loan-deposit ratios are at a record level, averaging 67%.

- Limited loan funds, increased cost of funds, and strong demand caused the price of credit to register



11%, the largest one-year increase ever recorded by ABA farm credit surveys. A year ago, most bank farm loan interest rates averaged about 9.5%. (These survey responses were obtained prior to the acceleration of rates in early October, 1979.)

- While bankers have substantially increased their legal loan limits to farm borrowers over the past years, this year the highest percentage of bankers—63%—report that they received loan applications from acceptable farm borrowers exceeding their legal loan limit. As a result, banks made greater use of correspondent banks.

- Outside sources of funds used most often by bankers are bank participations, purchase of Federal Funds and guaranteed loans.

- Bankers are screening farm customers more closely because of limited funds and more of their farm customers have reached their practical loan limits. Bankers indicated that over one quarter of their borrowers were loaned up.

- Agricultural bankers are planning to increase their market share of farm loans despite challenges of the current economic situation.

- According to bankers farm real estate values increased about 11% last year, and they anticipate similar gains in the current year. □

Iowa News

DES MOINES: Iowa Independent Bankers will sponsor a seminar entitled "Practical Ways to Protect Your Assets" on Wednesday, November 28, at the Hotel Savery here with registration beginning at 9 a.m.

DES MOINES: Central National Bank & Trust Co. has filed for consent from the regional administrator of national banks to locate CBCT units at the following locations: Sixth Avenue and University, Merle Hay Road and Douglas and 1500 and 22nd (Clive).

GRAND JUNCTION: Loof Investment Co. here has received consent from the Federal Reserve Board to



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BANCO

become a bank holding company by acquiring the Peoples Trust & Savings Bank.

GRUNDY CENTER: Farmers Savings Bank here has increased its common capital from \$195,000 to \$390,000 by a stock dividend, and also transferred \$5,000 from undivided profits to surplus giving this account a balance of \$860,000. Capital and surplus combined now totals \$1,250,000.

LARCHWOOD: Security Savings Bank here has increased its common capital from \$100,000 to \$300,000 by a stock dividend.

MAQUOKETA: The Maquoketa State Bank has received consent from the FDIC to establish an office at 112 McKinsey Ave. here.

MAYNARD: The Maynard Savings Bank has increased its common capital from \$120,000 to \$240,000 by a stock dividend.

NEWTON: An application by the

"Opportunity Calls..."

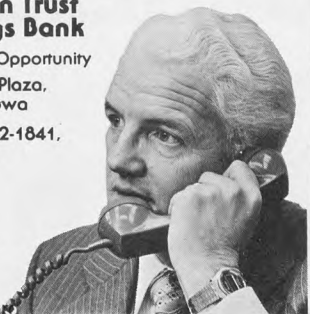
Leo Kane, Correspondent Banker

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Jasper County Savings Bank here for Federal deposit insurance upon withdrawal from the Federal Reserve System has been approved by the FDIC.

OELWEIN: The First National Bank of Oelwein has withdrawn its application to the regional administrator of national banks to open an office on Highway 150 near 13th Street South West here.

WAUKON: Hawkeye Bancorporation of Des Moines has received consent from the Federal Reserve Bank of Chicago to acquire the Waukon State Bank, which has assets of \$35 million. Hawkeye has assets of \$860 million and 21 member banks with 52 locations. Another application is pending for the acquisition of Hawkeye State Bank, Iowa City.

Nebraska News

OMAHA: The Mid Plains Group of the National Association of Bank Women will meet November 27 at 6 p.m. at Marcio's, 4443 S. 13th St. here. Guest speaker will be Warren Stewart, vice president-regional director of human resources for the Nebraska Banco banks. He will discuss human relations, impact of legislation on hiring, training and development.

OMAHA: The United States National Bank of Omaha has received permission from the regional administrator of national banks to locate a CBCT unit at 10114 Maple St.

OMAHA: The Omaha National Bank has filed for consent from the regional administrator of national banks to locate CBCT units at 1040 S. 74th Plaza, 2923 Leavenworth, 3427 S. 84th St. and 12759 Q St.

PAPILLION: A charter application by the proposed Bank of the Midlands has been approved by the state department of banking and

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finance. The bank will be located at Highway 370 and 84th Street in Papillion.

RAVENNA: The following officer changes have been announced at The Ravenna Bank: Douglas King and Marguerite Bernet, assistant vice president, and Roberta Berkeheimer, cashier.

SEWARD: The Jones National Bank of Seward has filed an application with the regional administrator of national banks to change its name to The Jones National Bank and Trust Company of Seward.

Minnesota News

ANNANDALE: The Annandale State Bank has received consent from the FDIC to change the location of its main office from 10 Oak Ave. to 33 Chestnut St. West here.

MINNEAPOLIS: Wesley J. Hein,

Don Carmody: BANKERS' BANKER

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NEW ISSUE

MOODY'S: A

\$4,380,000
NEW BERLIN, WISCONSIN
General Obligation Corporate Purpose Bonds

Dated: December 1, 1979

Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due June 1, 1980) payable at a bank to be designated.

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

MATURITIES

	<u>8.00%</u>				<u>6.60%</u>	
\$ 80,000	December 1, 1980	6.50		\$250,000	December 1, 1991	6.60
175,000	December 1, 1981	6.50			<u>6.70%</u>	
50,000	December 1, 1982	6.50		300,000	December 1, 1992*	6.70
50,000	December 1, 1983	6.50		325,000	December 1, 1993*	NRO
50,000	December 1, 1984	6.50		350,000	December 1, 1994*	NRO
50,000	December 1, 1985	6.50			<u>6.75%</u>	
50,000	December 1, 1986	6.50		375,000	December 1, 1995*	NRO
100,000	December 1, 1987	6.50			<u>6.80%</u>	
150,000	December 1, 1988	6.50		375,000	December 1, 1996*	NRO
	<u>7.10%</u>				<u>6.90%</u>	
225,000	December 1, 1989	6.50		375,000	December 1, 1997*	NRO
	<u>6.55%</u>			400,000	December 1, 1998*	NRO
250,000	December 1, 1990	6.55		400,000	December 1, 1999*	NRO

*Optional beginning December 1, 1991 at 101%; December 1, 1992 at 100.50%; and December 1, 1993 at 100.00%.

LEGALITY TO BE APPROVED BY QUARLES AND BRADY, ATTORNEYS, MILWAUKEE, WISCONSIN

The City of New Berlin is located in eastern Waukesha County immediately south of the City of Brookfield and west of the City of West Allis (Milwaukee County). It is an important part of the Greater Milwaukee Metropolitan Area. The City has experienced significant industrial growth in the last decade, due primarily to the development of the New Berlin Industrial Complex which is composed of two industrial parks within the City. Approximately 330 businesses are located in the Industrial Complex. Nearly all of the industries located in the City are within the Complex. In addition to the industrial employment within the City, a significant number of the City's residents are employed in Milwaukee or other nearby communities. Some of the largest employers in the City are: W.A. Krueger Co., General Electric—Medical Equipment Division, Louis Allis, Artos Corporation, Unit Crane & Shovel, Napco Graphics Arts, Inc., Zerland Corporation, A & A Manufacturing Corp., and Oven Systems, Inc.

In the opinion of counsel, these bonds are legal and binding general obligations of New Berlin, Wisconsin, 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

Equalized valuation, 1979	\$832,419,000
Assessed valuation, 1979	236,490,238
Net direct debt, including this issue	15,676,800
Total direct and overlapping debt	21,609,728
Population, 1979 estimate: 33,914	Direct debt per capita: \$462.25
	Total debt per capita: 637.19

Tax collections have approximated 99.9% 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 herein 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.

Muni Bond Owners

Is Tax Swapping right for you?

Take the Muni Bond Tax Swapping Test

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. Are your muni bonds currently selling below their original cost basis? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you anticipate taking capital gains in investments other than muni bonds? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you wish to shelter a portion of your ordinary income from taxes? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are you interested in increasing your tax free income from your current muni holdings? | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered 'yes' to any of these questions, tax swapping may be right for you. To learn more about Muni Bond tax swapping, we invite you to send for Hutton's Memorandum on the subject. This informative piece describes muni bond tax swapping methods, offers a tax swapping questionnaire and provides a handy municipal bond swap worksheet. To get your free copy please return the coupon provided below. We urge you to take advantage of this exceptional offer today. The 1979 tax year is rapidly drawing to a close.

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currently senior vice president/administration of Northwestern National Bank Southwest in Bloomington, has been elected president of Fifth Northwestern National Bank here. He will succeed John R. Cochran who was recently elected president of Northwestern National Bank of Rochester. The changes become effective December 1.

NORWOOD: Steven P. Lawrence, vice president of Citizens State Bank of Norwood, and E. Duane Lind have been elected directors of the bank. Rosalie K. Heiland was named a loan officer.

ST. PAUL: Western Bancshares, Inc. here has received consent from the Federal Reserve Bank of Minneapolis to become a bank holding company by acquiring the Western State Bank of St. Paul.

SPICER: Green Lake State Bank here has increased its amount of capital stock from \$100,000 to \$125,000 by the sale of new stock.

WACONIA: A charter has been issued by the Minnesota Commerce Commission to the Waconia State Bank. This is the first time a new bank has been chartered since the detached banking facility law went into effect in 1977 in Minnesota. Managing officer will be Russell B. Haakenson of Bird Island.

WACONIA: First National Bank of Waconia has announced the promotion of Roger Wichelman to president. He joined the bank in 1970 and most recently was vice president and cashier. He replaces Lowell G. Wakefield who resigned last week.

Illinois News

CHICAGO: First State Bank of Chicago has received consent from the FDIC to establish a facility at 608 Higgins in Park Ridge.

GLEN ELLYN: First Security Bank of Glen Ellyn has received permission from the FDIC to exercise limited trust powers.

SPRINGFIELD: Governor Thompson has approved and signed into law House Bill 2811. This bill (1) raises the general interest rate in Illinois from 8% to 9%, (2) eliminates, for the period running from November 9, 1979, through and including December 31, 1981, the interest rate on residential mortgages, and (3) increases the effective rate on bonds and tax anticipation warrants to the greater of 9% per annum or 70% of the prime commercial rate.

Colorado News

COLORADO SPRINGS: Robert E. Brunelle, formerly senior vice president, has been promoted to executive vice president of the Western National Bank of Colorado Springs.

DENVER: John G. Wilkerson is the new executive vice president and Robert S. Anderson is the new senior vice president at Colorado State Bank here.

DENVER: Peter Carman has joined the top executive team of the First National Bank as senior vice president and trust officer. He was formerly vice president and director of

Peter L. Bernstein, Inc., a New York City investment counseling firm. Russell K. Snow Jr. and Michael Frost were named vice presidents.

EVERGREEN: Don Beachler, president of the First National Bank here, has announced that the bank is moving to a new facility at the Center At Evergreen. Relocation is targeted for the spring.

Montana News

BIGFORK: Flathead Bank of Bigfork has received consent from the FDIC to change the location of its main office from Grand and O'Brien Streets to 800 Grand Drive here.

GREAT FALLS: Gerald R. Aznoe has been elected marketing officer of the Bank of Montana System. Most recently he served as assistant vice president at the affiliate Central Bank of Montana here.

HAVRE: John C. Caven has joined the First Security Bank of Havre as vice president with primary responsibilities in commercial lending and loan administration. He spent the past 11 years with the Alaska National Bank, most recently as loan administrator.

Wyoming News

JEFFREY CITY: J. Alan Pickering has resigned as president of the Jeffrey City State Bank. He has taken a position as an investment counselor to some private trusts in Denver.

WHEATLAND: William W. Russell has joined the First National Bank in Wheatland as a loan officer.

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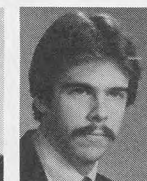
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Bond Officer
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Tony Pougoulatos
Asst. Vice President
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John Henderson
Vice President
234-2463



Rusty Reese
Bond Representative
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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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Commercial Loan Officer, under 45 with excellent experience and banking background, seeks new opportunity in Iowa or Nebraska bank. Contact Malcolm Freeland, c/o Northwestern Banker. (PW)

POSITION AVAILABLE

Installment Loan Manager. Opening in northern Illinois bank. Must be able to supervise \$5 million department and be experienced in collections and new business development. Write file IBD, c/o Northwestern Banker. (PA)

Second man for \$5 million installment loan department in out-state Nebraska bank. Some installment lending experience helpful. Write file IBC, c/o Northwestern Banker. (PA)

Trust Administrator with law degree and 3-5 years experience wanted. Send resume in complete confidence to Diane Good, Personnel Officer, National Bank of Waterloo, Waterloo, Ia. 50704. We are an equal opportunity employer. (PA)

Excellent Opportunity
 Experienced trust officer in charge of small growing trust department in suburban bank of midwest metro area. Salary open. Send resume to file IBF, c/o Northwestern Banker. (PA)

BANKING CAREERS—If you are currently employed and wish to evaluate your career potential, my organization has openings in the \$12,000 to \$40,000 range in banks throughout the midwest. All positions are employers paid. Call or write Jim Hogan, Dunhill, Suite 1135, 730 2nd Ave. S., Minneapolis, MN 55402. Or call (612)335-6451. (PA)

Aggressive metropolitan Des Moines bank is seeking an individual experienced in all areas of consumer lending, including dealer contracts, to head up our installment loan department. Excellent opportunity for right person. Salary open. Write file IBE, c/o Northwestern Banker. (PA)

Operations Officer—Individual with bank operations, computer and personnel experience for aggressive southwestern Minnesota bank. Excellent opportunity for advancement. Send resume to file IBG, c/o Northwestern Banker. (PA)

Operations Officer wanted for progressive \$30 million Iowa bank. Contact Malcolm Freeland, c/o Northwestern Banker. (PA)

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PARTIAL LIST OF AVAILABLE APPLICANTS

AG LOAN OFFICER—Strong ag background. Education in ag and currently a farm rep. Two years bank experience with prior experience in farm operations. Wants to specialize in ag. Asks \$13,000.

CASHIER—BA in finance and banking plus one year experience as asst. cashier. In charge of operations, tellers and reporting. Lending experience in installment, student and real estate. Earns \$14,200.

HEAD INSTALLMENT LOANS—Several years experience. Currently handles direct and indirect loans. Type of loans includes auto, home improvement and business equipment. Asks \$18,000.

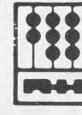
LOAN OFFICER—Supervises floor plans, installments, leasing paper, plus some commercial and real estate. Has significantly reduced the delinquency rate. Asks \$18,000.

CEO—Masters degree with 10 years experience. Manages entire loan portfolio. Can write policies and procedures. Familiar with compliance. Strong in commercial lending. Asks \$27,000.

CEO—Is a CEO with total responsibility. Has managed small banks with success in growth and increase of net profit. Able to communicate with customers and employees. Civic and community minded. Asks \$30,000.

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Burroughs S103 Proof-Encoder. On maintenance agreement. Phone L.J. Nelson at State Bank of St. Joseph, St. Joseph, Ill. (217)469-7631. (FS)

12x40 Hillcrest mobile home remodeled for use as temporary bank. Fitted with drive-up window, lobby area, night drop, full alarm system, furnace and air conditioning. Currently in use at National Bank of Waterloo, Ia. Available about 1/1/80. For further information call Mr. Wackerbarth, (319)291-5429. (FS)

11 Burroughs Model No. 1010361 teller machines and 10 Burroughs Model No. 1010381 teller machines. Contact Andrew Kobs at First National Bank, Fort Dodge, Ia. (515)576-6811. (FS)

Two Brandt coin sorters in good working condition. \$200 each. Montgomery County National Bank, Box 378, Red Oak, Ia. 51566. (712)623-4828. (FS)

Burroughs L5000 mini-computer. Excellent condition. \$2,950. Call (512)836-5864. (FS)

3 NCR 490 desk-top encoders. As is for \$495; reconditioned with 30 day warranty, \$695 each. Call (512) 836-5865. (FS)

4 NCR 1550 electronic teller machines. \$925 each. Call (512)837-6783. (FS)

BANKERS WANTED

CASHIER—(Minn.) Take charge of operations. Prefer D.P. & personnel experience . . \$20,000

TRUST—(Southwest) Prefer employee benefits experience with law degree \$25,000

CEO—(Mtn. states) Requires good installment loan and operations experience for 3½ mill. bank in small town \$22,000

CHIEF FINANCE OFFICER—Large midwestern bank profit analysis and planning a must \$40,000

OPERATIONS—(Neb.) Operations, data processing, and personnel experience preferred \$20,000

INS. AGENCY MANAGER—(Minn.) Must have bank experience. Commission plus . . \$18,000

INSTALLMENT LOAN OFFICER—(Iowa) Prefer additional experience as insurance agency manager. Commission plus . . \$18,000

Resume and salary history requested.

TOM HAGAN & ASSOCIATES

Linda Blue Smith, President
 P.O. Box 12346/2024 Swift
 North Kansas City, Mo. 64116
 (816) 474-6874

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