

DIDC Takes Action at October 1 Meeting:

Differential and Minimums to End

AT THEIR one hour meeting on September 30, the five members of the Depository Institutions Deregulation Committee voted to end the rate differential advantage of thrifts and set a phase-out schedule of minimums for various accounts. Viewed in the context of continuing, planned deregulation mandated by Congress, the DIDC action did not spark any unusual response from the banking industry.

The further deregulatory steps approved at the September 30 meeting follow:

Differential:

January 1, 1984—The rate differential enjoyed by thrifts for many years was eliminated by approving an increase from 5¼% to 5½% in the interest rate ceiling commercial banks may pay on passbook accounts and on 7 to 31 day time deposits of less than \$2,500.

Minimum Denominations:

December 1, 1983—The \$2,500 minimum for accounts designated as *retirement accounts* is eliminated on MMDAs, SuperNOWs, and 7 to 31 day time deposits.

January 1, 1985—The \$2,500 minimum is reduced to \$1,000 for *all other* types of MMDAs, SuperNOWs, and 7 to 31 day time deposits.

January 1, 1986—The \$1,000 minimum (noted above) is totally

eliminated. Each institution will be free to set its own minimum.

The action on removing the minimum for retirement accounts was unanimous. The phasing schedule for other accounts was achieved on a 4-1 vote, with FHLBB Chairman Edwin J. Gray voting "no" on both counts via long-distance phone from New Zealand.

The next DIDC meeting has been scheduled for December 15, although the bulk of its work appears to have been accomplished.

Speaking about the elimination of the differential, which many bankers have sought for several years, an ABA spokesman said, "Bankers hail the elimination of the interest rate differential on regular savings, as provided for in the Garn-St. Germain Act, and only wish that this might have occurred earlier. The elimination of the \$2,500 minimum denomination on money market accounts, SuperNOW accounts and 7 to 31 day time deposits for IRAs and Keoghs is appropriate and in line with an earlier request by ABA. This provides an additional benefit for those using these accounts to plan for their retirement."

Earlier action by the DIDC which became effective October 1 was to permit financial institutions to pay any rate they wish on time certificates of 32 days or more. Also,

penalty provisions now provide for a minimum one month simple interest penalty if the CD period is less than one year, and three months penalty for CDs of more than one year. There was no big rash of new announcements by banks, indicating most are taking a "wait and see" attitude for possible response to competition. □

Iowa News

The November meeting of the NABW Northwest Iowa Group will be held Wednesday, October 12, at Indian Village in Sac City. The meeting will begin at 5:00 p.m. followed by dinner.

The evening's program entitled "BBB & Banking," will be given by Marion LeGrand of the Sioux City Better Business Bureau.

DES MOINES: Terrence J. Montgomery has been appointed president of Hawkeye Insurance Services, a subsidiary of Hawkeye Bancorporation. A 1967 graduate of the University of Iowa, Mr. Montgomery most recently was president of Kirke-Van Orsdel Insurance Services.

MOUNT AYR: Roger W. Kerndt has been elected president of Hawkeye Bank & Trust. He previously was employed by Waukon State Bank as senior vice president. Mr. Kerndt succeeds Ralph P. DiCesare, Jr., who has accepted a position as president of The

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Mark Conway

Security Trust & Savings Bank in Shenandoah.

WEBSTER CITY: Mark A. Sams has been elected vice president and cashier at First State Bank. He previously was employed at Norwest Bank, Cedar Falls, where he had been since 1972.

Nebraska News

The newly-formed Iowa-Nebraska Chapter of the Bank Marketing Association is sponsoring a program to be held Tuesday, October 18, at the Omaha Marriott, featuring Murray Raphael and his Ten Golden Rules of Financial Advertising.

Fee for the program is \$35 for members and \$50 for non-members. For more information contact David Simmons, executive vice president at Fremont National Bank, Fremont.

Two more programs are scheduled to be held in January and May of 1984. Watch for additional information on locations and speakers.

* * *

The Nebraska Independent Bankers Association Annual Convention will be held November 3 & 4 at the Midtown Holiday Inn, Grand Island.

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An excellent program has been planned and can be found in the October Northwestern Banker.

BEATRICE: First Security Bank and Trust Co. has announced the addition of Edward J. Kelleher as vice president. He previously was a loan officer at the First National Bank of Omaha.

OAKDALE: The Federal Reserve has approved the sale of First State Bank to Tim Brennan of Neligh, P.J. Morgan Company of Omaha and Paul Merchant of Norfolk. Bob Zuehlsdorf will continue as president with no staff changes anticipated, according to Mr. Brennan.

OMAHA: Dennis C. Robey recently was promoted to vice president at American National Bank. He will continue in his position as commercial lending officer and also act as department head of the consumer loan department.

TRENTON: D.D. Whaley has been elected president of State Bank of Trenton. He succeeds D. Roger Thuman who has been named chairman. Mr. Thuman has served as president since 1971. Mr. Whaley has served as executive vice president of the bank since 1971 when he joined the bank's staff.



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Minnesota News

RUTHTON: At a vacant farm previously owned by James Jenkins, 46, two Ruthton bankers were shot to death September 29. Rudy Blythe, Jr., 42, owner and president of the Buffalo Ridge State Bank, and Deems "Toby" Thulin, 37, vice president and loan officer, were killed when they were lured to the Jenkins farm, which the bank had foreclosed on four years ago, by a phone call in which the suspects said they wanted to buy the land. On Sunday, October 2, James Jenkins, wanted in the slayings, was found shot to death from an apparent self-inflicted wound at a farm in northern Texas. Police were led to the body by James Jenkins' son Steve, 18, also sought in the murders. Authorities speculate that revenge may have been the motive for the slayings.

Illinois News

In the closing days of September, Governor Thompson signed into law HB1313 permitting Illinois banks to make commercial and consumer loans at all facilities. This action has generated a great deal of positive response.

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NEW ISSUE

MOODY'S: A

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DENOMINATION: \$5,000

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

MATURITIES

	<u>10.50%</u>			<u>8.40%</u>	
\$ 70,000	June 1, 1985	6.00	\$170,000	June 1, 1994	8.40
	<u>11.00%</u>				
\$ 80,000	June 1, 1986	6.50		<u>8.60%</u>	
85,000	June 1, 1987	7.00	\$455,000	June 1, 1995	8.60*
95,000	June 1, 1988	7.20			
100,000	June 1, 1989	7.40			
105,000	June 1, 1990	7.60		<u>8.75%</u>	
115,000	June 1, 1991	7.80	\$490,000	June 1, 1996	NRO*
135,000	June 1, 1992	8.00	535,000	June 1, 1997	NRO*
	<u>8.50%</u>		585,000	June 1, 1998	NRO*
\$150,000	June 1, 1993	8.20	630,000	June 1, 1999	NRO*

*Bonds callable June 1, 1994 at 102% declining to 100%

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

The Johnston Community School District is located in central Iowa adjacent to the City of Des Moines. Included within the District's 25,344 acres is the City of Johnston and minor portions of the Cities of Des Moines, Urbandale and Grimes. Transportation facilities are provided by U.S. Interstates 35 and 80, Iowa Highway 401 and numerous paved county roads. Commercial development within the District has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area. Residential growth and recreational opportunities within the District have been enhanced by the construction of Saylorville Lake, a U.S. Corps of Engineers flood control dam impounding the Des Moines River. The two major employers within the District are Pioneer Hi-Bred International, Inc., an internationally known producer of Hi-Bred seed employing over 500 persons, and Iowa National Guard - Camp Dodge, a military division of public defense employing over 300 persons. Continuing education centers within the area include: Drake University, Des Moines; Grand View College, Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola and Area XI Des Moines Area Community College, Ankeny. Total enrollment in the District for the 1982-83 school year is 1,223 with projected enrollment, based on a 3% growth factor, at 1,417 by 1987-1988. The District employs 138 for the 1982-83 school year.

The proceeds of this issue will be used to defray the costs of constructing and equipping a new middle school.

FINANCIAL STATEMENT

Actual valuation, 1982		\$238,673,982.00
Assessed Valuation, 1982		191,230,592.00
Direct debt, including this issue		6,120,000.00
Total direct, overlapping and underlying debt		8,604,448.00
Population, 1983 estimate: 4,700	Direct debt per capita:	\$1,302.13
Area: 25,344 acres	Direct debt per capita:	1,830.73
	Total debt per acre:	241.48
	Total debt per acre:	339.51

Tax collections have approximated 99.83% of taxes levied for the past five years.

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 are based. Bonds of a particular maturity may or not still be available or may now be available at a price or yield different from that indicated above.

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NEW ISSUE

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FIRST NATIONAL LINCOLN

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The IBA-initiated bill was sponsored by House Majority Leader Jim McPike (D-Alton) and Senate President Philip Rock (D-Chicago), and was a major item on the association's legislative agenda.

IBA President Donald R. Lovett said, "It is good to see this measure go into effect, because it had strong across-the-board support. In addition, this will go a long way to justify the cost of operating facilities and will certainly represent increased service to our customers."

CHICAGO: The Bank of Montreal, Canada's third-largest bank, announced last Wednesday that it has agreed to buy Harris Bankcorp Inc. of Chicago for approximately \$546.6 million. Unanimously approved by directors of both banks, the agreement is subject to approval by Harris Bankcorp shareholders and regulatory agencies.

MONMOUTH: J.D. Jack Lemmerman has retired as chairman of the board of National Bank of Monmouth, it was announced recently by H.E. Gladfelter, president. Mr. Lemmerman was president of the Illinois Bankers Association in 1980-81.

South Dakota News

RAPID CITY: Bank of America, San Francisco, received approval October 3 for a state bank charter here. It is authorized to operate as a commercial bank, but is "not to compete to the substantial detriment of existing banks," according to Director of Banking and Finance Glen Ritterbusch. BofA announced its plan to open a Travelers Check processing center near a mall on the

outer edge of Rapid City. BofA has also filed application to the Federal Reserve to offer insurance services.

VOLGA: Controlling interest in the First National Bank has been sold to North Central Financial Services, Inc., at which time a new board of directors assumed control of the bank. Michael A. Lyons, senior partner in the law firm of Doyle, Mahoney, Lyons & Palmer of Sioux Falls, has been elected chairman. David A. Callies, president and chief operating officer of the Security State Bank in Madison, will serve as vice chairman, and Allan L. Kostboth has been named president. Mr. Kostboth is president and owner of Kostboth Motors, Inc., Madison. He previously served as president of the Chancellor State Bank and Security State Bank in Madison. Howard B. Lee, who resigned as president and chairman, will continue to serve the bank as a special advisor to the board.

North Dakota News

BISMARCK: Stan L. Wiens has been appointed vice president and trust officer of The Bank of Kirkwood Plaza. He previously worked at Dakota First Trust Co. in Fargo.

BISMARCK: First Bank Bismarck has elected Robert Westbee chairman and Donald W. Green president and managing officer. Mr. Green has been with First Bank System since 1967 and joined First Bank Bismarck in 1982 as executive vice president and trust officer in the commercial lending department. Mr. Westbee has served as president of the bank since 1975.

Montana News

BILLINGS: First Trust Montana has elected Timothy J. Healey chairman and chief executive officer and David L. Servies president. Mr. Healey, who will retire December 31, has served as president since 1979. He joined First Bank System in 1963. Mr. Servies joined the bank in 1979 as vice president and manager of the Billings division. Prior to that time he was associated with Seattle-First National Bank, Washington.



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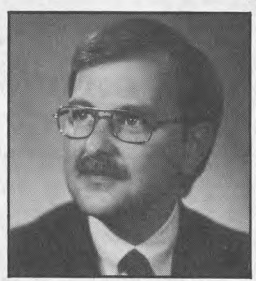
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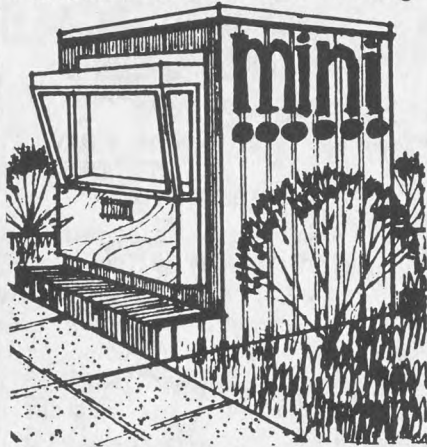
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 - Correspondent Bank Head** for major midwest bank. Requires strong lending and administrative ability. To \$50,000.
 - Correspondent Banker** for major bank. Must know lending and possess business-getting ability. To \$38,000.
 - Commercial Lender** for \$100 million bank located in Upper Midwest. To \$32,000.
 - CEO** for Illinois community bank. Must have ag lending experience. To \$32,000.
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 - Ag Lender** with bank experience for eastern Iowa bank located near metro area. To \$35,000.
 - Senior Ag Lender** for N.E. Iowa bank located near metro area. To \$35,000.
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