

NORTHWESTERN Banker Newsletter

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June 6, 1988

Low Cost Accounts Continue to Climb

MORE than half of the nation's banks are currently offering low cost "basic bank accounts" to the general public, according to results of a recent survey by the American Bankers Association.

The survey found that 52 percent of all banks and seven in ten large banks (assets of \$1 billion or more) offer basic bank accounts, reflecting a continuing trend toward greater availability of such accounts. An additional 6 percent of all banks said they plan to start offering these accounts in the near future.

Last year's survey found 44 percent of all banks and seven in ten large banks offering basic bank accounts.

Basic bank accounts are designed to meet the needs of low-income consumers, and provide limited banking services at no or low cost. These accounts are also frequently used by senior citizens, students, and retirees.

"Basic bank accounts help keep bank services affordable to all members of the community by allowing both the customer and the bank to curtail unnecessary expenses," says Robert W. Moyer, chairman of ABA's Consumer Issues Task Force. Mr. Moyer is also vice chairman and chief executive officer of Wilber National Bank, Oneonta, New York.

Less than one-fourth of the banks participating in the survey reported that they made a profit on their basic bank accounts, while more than 60 percent reported that the accounts broke even or were subsidized by other accounts at the bank.

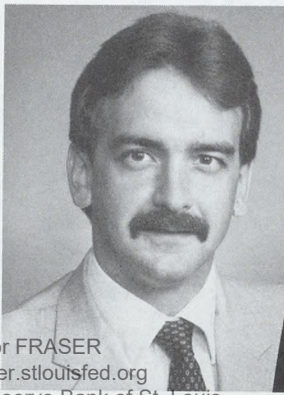
ABA's Basic Banking Survey was based on responses from 872 banks selected from a national probability sample based on bank assets size, and was conducted in the fourth quarter of 1987. Results are summarized below:

- more than 90 percent of the plans offered free unlimited teller transactions;
- nine in ten banks offered free unlimited use of ATMs for deposit and balance inquiries; between 75 and 83 percent (depending on bank size) offered free unlimited ATM withdrawals;
- about 2 percent required direct deposit;
- 66 percent required an initial deposit (median \$50 for large banks, \$100 for small banks);
- 30 percent reported a minimum balance requirement (\$200 median);
- 67 percent required some type of monthly maintenance charge; about four in ten required a charge regardless of the balance in the account (median \$2.00-

\$3.00 depending on bank size); 31 percent charged only when the balance fell below an established minimum (median \$3.00-\$4.00, depending on bank size);

- one in four banks offered their basic banking customers unlimited free checking; 27 percent provided a limited number of free checks (median 10) and typically charged \$.30 per check above the free limit. About 20 percent charged for every check.
- 27 percent of the banks gave basic/no frills customers reduced-price check printing.
- typically, between 25 percent (small banks, assets less than \$100 million) and 6.9 percent (large banks, assets more than \$500 million) of all checking accounts were basic accounts; typical account balances for basic accounts were just over \$300;
- 94 percent reported providing monthly statements, and 12 percent used check truncation (cancelled checks retained by the bank) with their basic banking accounts;
- nearly half the banks expect their basic banking fees to remain the same over the next 12 months.

Since 1985, ABA's Consumer Issues Task Force has directed an educational campaign promoting basic banking services. ABA has met with national consumer leaders and continues to promote the concept of basic banking services. □



Jeff Sims
Correspondent Services

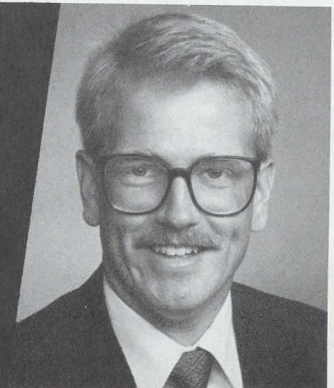


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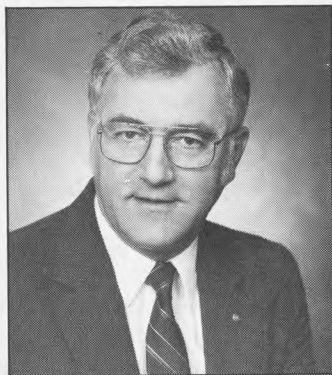
Jay Nichols

Correction!

In the May 23 WEEKLY NEWSLETTER, the lead article on page one titled, "How Tax Act Affects Directors Fees," had a typographical error that needs to be corrected in order to clarify for readers the meaning of the tax law language. In the second paragraph, a sentence reads, "Therefore, deferred director fees are *not* subject to self-employment taxes in the year the services are performed . . ." It should read, "are *now* subject to self-employment taxes in the year the services are performed . . ."

Iowa News

CEDAR RAPIDS: Jerry Strait has been named a vice president at City



Dick Retz

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National Bank. He has spent the last 20 years with Merchants National Bank of Cedar Rapids in numerous executive positions, most recently assistant vice president in the personal banking division.

SIOUX CITY: Carleton C. Van Dyke, 72, a prominent northwest Iowa banker, died May 19 of heart failure. Mr. Van Dyke's family was affiliated with the Toy National Bank of Sioux City for several generations. He joined the bank in 1940, served as president from January, 1957, until January, 1972, and was vice chairman for one year before leaving Toy National to manage his own banks in Anthon, Marcus and Remsen. His wife, Virginia, continues to live at the family home at 510 North Briar Path, Sioux City 51104.

Nebraska News

Harley D. Bergmeyer, president, Saline State Bank, Wilber, was advanced to the presidency of the Nebraska Bankers Association at the NBA's 91st annual convention in Omaha recently. He follows Donald E. Blaha, president, First National Bank, Ord. Succeeding Mr. Bergmeyer as president-elect is James F. Nissen, chairman and CEO, Vistar Bank, Lincoln. Full convention details and photos are in the June NORTHWESTERN BANKER.

BELLEVUE: First United Bank of

Bellevue has announced that Darrell A. Legband has been elected president/CEO. He replaces John R. Young who resigned recently. Mr. Legband has been serving in various senior management positions over the last ten years and most recently was vice president and manager of the commercial loan division at Delay First National Bank and Trust in Norfolk.

OMAHA: Douglas County Bank & Trust Co. has announced the promotion of Lawrence Ziska, Jr. to executive vice president of Great Western Securities, the holding company of the bank. He has been with the bank since 1974, and in 1982 was named to his previous position as the bank's executive vice president.

OMAHA: Among recent promotions by Norwest Bank Nebraska was the naming of two vice presidents. William J. Hoelting is a vice president in the private banking department at the Regency location. He joined Norwest in 1980 and previously was assistant vice president. Terry J. Jaros was promoted to vice president in the business banking department at the 13259 Millard Avenue office. He joined that bank in 1978 when it was the Bank of Millard and previously was an assistant vice president.

Minnesota News

The Minnesota Metro Chapter of the American Institute of Banking in Minneapolis has announced seminars to be held during June. Dates and topics are: 14th—Recharging Your Productivity Through Time Management; 15th—Lotus 1-2-3: "Data" Commands and Special Functions; 22nd—Lotus 1-2-3: Introduction to Macros; 23rd—Leadership: Know Your Potential; 28th—Uniform Commercial Code for Operational Personnel. For more information, contact Judy



Wilma Weeks
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Officer
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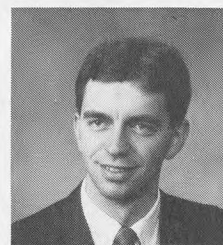
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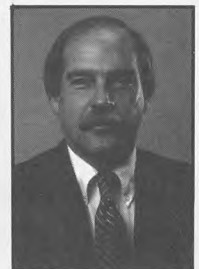
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MINNEAPOLIS: Norwest Bank Minnesota has named Thomas W. Longlet president of its Osseo/Maple Grove office. He succeeds James Heig, who has been president there since 1973 and has announced his intention to retire at the end of the year after over 39 years with Norwest. Mr. Longlet previously was president of the East St. Paul office of Norwest Bank Minnesota. He joined Norwest in 1973.

MINNEAPOLIS: Norwest Bank Minnesota has named Steven D. Rapp president of its office in Arden Hills. He previously was manager of business banking at the bank's MetroWest office in Minneapolis. He joined Norwest in 1979.

ST. PAUL: David F. Bodine has been appointed vice president and business development manager for the institutional trust division of First Trust, a subsidiary of First Bank System. He joined First Trust from Norwest Bank, where he served as vice president and manager of institutional trust sales. Previously he worked in marketing with both Network Systems Corporation of Minneapolis and IBM Corporation's Minneapolis data processing division.

Illinois News

CHICAGO: William G. Hoskins has been named president of First Colonial Bank of Lake County, a new First Colonial Bankshares Corporation bank located in Vernon Hills. He has worked more than 20 years in Lake County as president and chairman of First National Bank of

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Libertyville, which was acquired by American National Bank in 1984. He most recently served as president of Suburban Bank of Hoffman-Schaumburg.

South Dakota News

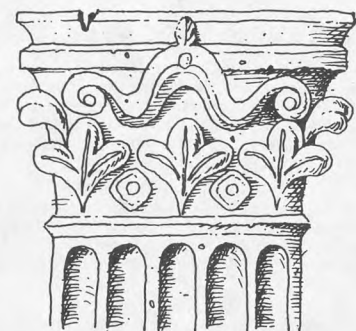
Christine Schirber, executive vice president, Dewey County Bank, Isabel, became the first woman to head the South Dakota Bankers Association when she was advanced to the presidency of the SDBA at its recent convention in Sioux Falls. She succeeds Larry Ness, president & CEO, First Dakota National in Yankton. Moving up to be president-elect was David Birkeland, president, First Bank of South Dakota, Sioux Falls, and Leroy Hofer, president, First State Bank, Armour, was elected vice president. Full convention details and photos are in the June NORTHWESTERN BANKER.

* * *

"Serving the Customers and Improving the Bottom Line—In a Changing Rural Environment" is

the theme for the 34th annual convention of the Upper Midwest Agricultural Credit Council, which will be held July 6-8 at the Howard Johnson Motor Lodge in Rapid City. Keynote speaker will be John Bor-

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chert, Regents Professor at the University of Minnesota. More information about the conference can be obtained by contacting Gailen Meyerink at Community First State Bank, Platte, SD 57369.

Montana News

The Montana Bankers Association has announced a correction concerning its upcoming convention in Kalispell. The receptions on Wednesday and Thursday will begin at 5:00 p.m., not 6:00 as previously announced.

GREAT FALLS: First Bank System has named Daniel Ewen president, market manager and director of First Bank Great Falls and First Bank West Great Falls. He most recently served as vice president and manager of the Great Falls office of First Trust Montana.

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FOR FURTHER INFORMATION CONTACT KURT ROSENCRANTS



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LOAN OFF.—Scenic Wis. resort area bank seeks Loan Off. to work into #1 lender pos. Handle r.e., cons. and com'l loans. High performing bank! 2+ yrs. lending w/r.e. emph. req. \$20K + Bonus + Exc. Benefits! Job #NW3384

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