

ANNOUNCEMENT BY  
BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
(H.2, 1978 No. 41)

Actions of the Board; Applications and Reports

Received During the Week Ending October 14, 1978

ACTIONS OF THE BOARD

Increase in the discount rate from 8 per cent to 8-1/2 per cent, effective Monday, October 16.

Community Reinvestment Act (CRA), Federal regulators of banks and savings and loan associations today announced final regulations implementing the Act, to take effect November 6, 1978.

Reports of Condition and Income, the Federal bank regulatory agencies proposed for comment a simplified version of the reports that could be used by over 90 per cent of the nation's commercial banks to reduce their reporting burden; the agencies asked for comment by November 15, 1978.

Letter to the Department of Commerce in response to request for Federal Reserve participation in the Minority Bank Assistance Program.

Letter and Order granting expansion of the current exemption from the Truth in Lending Act, to cover Federally-chartered credit unions having their main office, or office of charter, within the State of Massachusetts.

American Bancor, Ltd., Dickinson, North Dakota, extension of time of 60 days within which to consummate the acquisition of American State Bank of Killdeer, American State Bank of Dickinson, and American State Bank of New England, all in North Dakota. 1/

B-O-B Financial Corporation, Bismark, Missouri, extension of time to December 13, 1978, within which to file its registration statement. 1/

1/ Applications processed on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

First Corporation, Henderson, Kentucky, extension of time to January 30, 1979, within which to become a bank holding company through the acquisition of First National Bank of Henderson, Henderson, Kentucky; and to acquire Peoples Security Finance Company, Inc., and Peoples Security Investment, Inc., both located in Madisonville, Kentucky, which are engaged in consumer lending activities and the sale of credit-related insurance. 1/

Northern Plains Bancshares, Inc., Fargo, North Dakota, requesting a second 90-day extension of time within which to acquire the Fargo National Bank and Trust Company, Fargo, North Dakota. 1/

Sundance State Bank, Sundance, Wyoming, to make an investment in bank premises. 1/

West Coast National Bank, Oceanside, California, proposed merger with La Jolla Bank and Trust Company, La Jolla, California; report to the Federal Deposit Insurance Corporation on competitive factors. 1/

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1/ Applications processed on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

To Establish a Domestic Branch Pursuant to Section 9  
of the Federal Reserve Act

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Approved

The Castalia Banking Company, Castalia, Ohio.  
Branch to be established at 126 Main Street,  
Castalia, Erie County. 2/

The Union Commerce Bank, Cleveland, Ohio. Branch  
to be established at 10800 Brookpark Road,  
Brooklyn, Cuyahoga County. 2/

The Ashland Bank and Savings Company, Ashland, Ohio.  
Branch to be established at 1353 Claremont Avenue,  
Ashland, Ashland County. 2/

Sun Bank of Ocala, Ocala, Florida. Branch to be  
established on the north side of State Road 484,  
between Eighth and Ninth Streets, Belleview. 2/

The Detroit Bank and Trust Company, Detroit, Michigan.  
Branch to be established at the Renaissance Center,  
Randolph Street and East Jefferson Avenue, Detroit,  
Wayne County. 2/

Valley Bank of Nevada, Las Vegas, Nevada. Branch to  
be established at 2100 Highway 50 East near the inter-  
section of Humboldt Lane, Carson City. 2/

United California Bank, Los Angeles, California.  
Branch to be established in the vicinity of the inter-  
section of Scott Boulevard and El Camino Real, Santa  
Clara, Santa Clara County. 2/

United California Bank, Los Angeles, California. Branch to  
be established in the vicinity of the intersection of  
Diamond Boulevard and Willow Pass Road, Concord, Contra  
Costa County. 2/

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2/ Applications processed by the Reserve Bank on behalf of the Board of  
Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

International Investments and Other Actions Pursuant to Sections 25 and 25(a) of the Federal Reserve Act and Sections 4(c)(9) and 4(c)(13) of the Bank Holding Company Act of 1956, as amended

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Approved

Citibank, N.A., New York, New York: grants consent for your Bank to acquire and hold, directly or indirectly, all of the interests in Centre de Gestion Citicorp, Paris, France.

Harris Bank International Corporation, New York, New York: grants consent for your Corporation to continue to hold all the shares of Harris Internacional e Servicos Limitada Sao Paulo, Brazil.

Republic New York Corporation, New York, New York: grants consent, for Trade Development Finance (Netherlands Antilles) N.V., Curacao, Netherlands Antilles, to purchase and hold, directly or indirectly, all of the shares of TDB Finance (Asia) Limited, Hong Kong.

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To Organize, or Invest in, a Corporation Doing Foreign Banking and Other Foreign Financing Pursuant to Section 25 or 25(a) of the Federal Reserve Act

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Approved

Industrial National Bank, Providence, Rhode Island: to establish an Edge Act Corporation in New York, New York to be known as Industrial International Bank, Providence, Rhode Island.

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To Form a Bank Holding Company Pursuant to Section 3(a)(1) of the Bank Holding Company Act of 1956

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Approved

Citizens Bancshares, Inc., Somerset, Kentucky, for approval to acquire 80.2 per cent of the voting shares of Citizens National Bank of Somerset, Somerset, Kentucky.

ACTIONS OF THE BOARD-Continued

Louisville Company, Omaha, Nebraska, for approval to acquire 91.4 per cent or more of the voting shares of Home State Bank, Louisville, Nebraska. 2/

Urich Bancshares, Inc., Urich, Missouri, for approval to acquire 100 per cent (less directors' qualifying shares) of the voting shares of Bank of Urich, Urich, Missouri. 2/

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To Expand a Bank Holding Company Pursuant to Section 3(a) (3) of the Bank Holding Company Act of 1956

Approved

Mountain Financial Services, Inc., Denver, Colorado, for approval to acquire 100 per cent of the voting shares of South Aurora State Bank, Aurora, Colorado, a proposed new bank.

National Bancshares Corporation of Texas, San Antonio, Texas, for approval to acquire 100 per cent (less directors' qualifying shares) of the voting shares of the successor by merger to The Brooks Field National Bank of San Antonio, San Antonio, Texas.

Republic of Texas Corporation, Dallas, Texas, for approval to acquire 100 per cent of the voting shares of the successor by merger to City National Bank, Fort Worth, Texas.

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To Expand a Bank Holding Company Pursuant to Section 4(c) (8) of the Bank Holding Company Act of 1956

Approved

Johnson County Bankshares, Inc., Prairie Village, Kansas, for approval to retain all of the voting shares of Republic Investment Company, Inc., Prairie Village, Kansas.

2/ Applications processed by the Reserve Bank on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

Mountain Financial Services, Inc., Denver, Colorado, for permission to engage de novo in the sale as agent of credit life and accident and health insurance directly related to extensions of credit by South Aurora State Bank, Aurora, Colorado, a proposed new bank.

Withdrawn

Continental Illinois Corporation, Chicago, Illinois, notification of intent to engage in de novo activities (leasing on a non-operating basis real or personal property acquired specifically for a leasing transaction, and acting as agent, broker or adviser in the leasing thereof, where the lease serves as the functional equivalent of an extension of credit to the lessee of the property and where at the inception of the initial lease the expectation is that the effect of the transaction (and, with respect to governmental entities only, reasonably anticipated future transactions with the same lessee as to the same property) will be to compensate the lessor for not less than the lessor's full investment in the property plus the estimated total cost of financing the property over the term of the lease, and where the lease otherwise conforms with Section 255.4(a)(6)(i) and (ii) of the Board's Regulation Y; and making or acquiring, for its own account or for the account of others, secured and unsecured loans and other extensions of credit to or for business, governmental and other customers (excluding direct consumer lending), entities or projects, purchasing or acquiring receivables or chattel paper (including without limitation consumer receivables and paper), issuing letters of credit and accepting drafts and servicing loans and other extension of credit for others) at Commerce Court North, Toronto, Ontario, Canada, through its subsidiary, Continental Illinois Leasing Corporation (10/3/78) 3/ (Permitted on H.2, No. 31)

Permitted

Citicorp, New York, New York, notification of intent to engage in de novo activities (making loans to individuals (for personal, family or household usage) and businesses to finance the purchase of

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

mobile homes, modular units or related manufactured housing together with the real property to which such housing will be permanently affixed, such property being used as the security for the loans; sale of credit related life and accident and health insurance to cover the outstanding balances or credit transactions (singly or jointly with co-signers in the case of life coverage) in the event of death, or, to make contractual monthly payments of the credit transactions in the event of the obligor's disability by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; the sale of credit related property and casualty insurance protecting such property subject to a security agreement with Nationwide Mortgage Corporation and to include liability coverage where such is general practice by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; credit related decreasing term life insurance and accident and health insurance may be directly insured or reinsured by Family Guardian Life Insurance Company, an affiliate of Nationwide Mortgage Corporation) at 2700 State Street, Suite 16-A, Las Vegas, Nevada and 4600 Kietzke Lane, Building 1, Suite 206, Reno, Nevada, through its subsidiary, Nationwide Financial Services Corporation, presently operating as Nationwide Mortgage Corporation (10/8/78) 3/

First Commercial Banks Inc., Albany, New York, notification of intent to engage in de novo activities (any one or more of the functions or activities that may be performed or carried on by a trust company (including activities of a fiduciary, agency or custodian nature) in the manner authorized by Federal or State law so long as the institution does not make loans or investments or accept deposits other than (i) deposits that are generated from trust funds not currently invested and are properly secured to the extent required by law; (ii) deposits representing funds received for a special use in the capacity of managing agent or custodian for an owner of, or investor in, real property, securities, or other personal property, or for such owner or investor as agent or custodian of funds held for investment or escrow agent, or for an issuer of, or broker or dealer in securities, in a capacity such as paying agent, dividend disbursing

3/ 4(c) (8) and 4(c) (12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

agent, or securities clearing agent, and not employed by or for the account of the customer in the manner of a general purpose checking account or bearing interest; (iii) making of call loans to securities dealers or purchase of money market instruments such as certificates of deposit, commercial paper, government or municipal securities, and bankers acceptances (such authorized loans and investments, however, may not be used as a method of channeling funds to non-banking affiliates of the trust company) at 60 State Street, Albany; 201-211 S. Warren Street, Syracuse; 260 Fair Street, Kingston; and 131 Main Street, Sayville, all located in New York, through its subsidiary, Key Trust Company (10/8/78) 3/

BancOhio Corporation, Columbus, Ohio, notification of intent to engage in de novo activities (acting as a mortgage company for the purpose of making, acquiring or servicing for its own account or for the account of others, loans and other extensions of credit (including issuing letters of credit and accepting drafts) at 155 East Broad Street, Columbus, Ohio, through a subsidiary, BancOhio Mortgage Company (10/1/78) 3/

Mellon National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (making or acquiring, for its own account secured and unsecured loans and other extensions of credit such as would be made by a finance company, which activities include making direct consumer installment loans and purchasing consumer installment sales contracts; acting as insurance agent with respect to credit life and credit accident and health insurance which insurance will be provided only in conjunction with extensions of credit by Freedom Financial Services Corporation or its wholly-owned subsidiaries and which will be available solely at the option of the borrower and the borrower is advised of this option in advance; and acting as insurance agent with respect to credit property insurance on personal property subject to security agreements with Freedom Financial Services Corporation or its wholly-owned subsidiaries, which insurance will be provided only in conjunction with extensions of credit by Freedom Financial Services Corporation and purchase of this insurance through Freedom Financial Services Corporation is solely at the option of the borrower and the

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.



ACTIONS OF THE BOARD-Continued

borrower is advised of this option in advance; Freedom Financial Services Corporation does not act as a general insurance agent) at 7108 Edinger Avenue, Huntington Beach, California and 948 N. Citrus Avenue, Covina, California, through its wholly-owned subsidiary, Freedom Financial Services Corporation, Oak Brook, Illinois (10/13/78) 3/

HNB Corporation, Arkansas City, Kansas, notification of intent to continue to engage in de novo activities (previously commenced de novo) through the transfer of the activity from its subsidiary bank (acting as agent for the sale of reducing term credit life insurance on installment loans, level term credit life insurance on single payment loans, and credit accident and health insurance) on the premises of the holding company's subsidiary bank, The Home National Bank of Arkansas City, 126 South Summit Street, Arkansas City, Kansas (10/12/78) 3/

Security Pacific Corporation, Los Angeles, California, notification of intent to engage in de novo activities (the origination and acquisition of mortgage loans, including development and constructions loans on multi-family and commercial properties, for its own account or for the sale to others and the servicing of such loans for others) at 3025 Cody Road, Columbus, Georgia, through its subsidiary, Security Pacific Mortgage Company (10/12/78) 3/

3/ 4(c) (8) and 4(c) (12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

APPLICATIONS RECEIVED

To Establish a Domestic Branch Pursuant to Section 9  
of the Federal Reserve Act

Rapides Bank & Trust Company in Alexandria, Alexandria,  
Louisiana. Branch to be established at 3400 Main  
Street, Alexandria.

Liberty State Bank & Trust, Hamtramck, Michigan. Branch  
to be established in the vicinity of the intersection  
of Gratiot Avenue and 23 Mile Road, Chesterfield Town-  
ship, Macomb County.

The Harvard Tower Bank, Tulsa, Oklahoma. Branch to be  
established at 3000 East 51 South Street, Tulsa.

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To Become a Member of the Federal Reserve System  
Pursuant to Section 9 of the Federal Reserve Act

The Community Bank of Forest, Forest, Virginia.

Bank of Surry County, Inc., Surry, Virginia.

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To Withdraw from Membership in the Federal Reserve  
System without a Six-Month Notice as Prescribed by  
Section 9 of the Federal Reserve Act

Liberty Trust Company of Maryland, Cumberland, Mary-  
land.

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To Establish an Overseas Branch of a Member Bank  
Pursuant to Section 25 of the Federal Reserve Act

Citibank, N.A., New York, New York: requests consent  
for standby authority to reestablish a branch in  
Georgetown, Cayman Island.

APPLICATIONS RECEIVED-Continued

To Form a Bank Holding Company Pursuant to Section 3(a)(1) of the Bank Holding Company Act of 1956

Janada Bancshares, Inc., St. Paul, Minnesota, for approval to acquire 99.51 per cent of the voting shares of Liberty State Bank, St. Paul, Minnesota.

Rose Banco, Inc., Roseville, Minnesota, for approval to acquire 82.06 per cent of the voting shares of Roseville State Bank, Roseville, Minnesota.

Anson Bancshares, Inc., Anson, Texas, for approval to acquire 80-100 percent (less directors' qualifying shares) of the voting shares of The First National Bank of Anson, Anson, Texas.

Tarrant Bancshares, Inc., Fort Worth, Texas, for approval to acquire 80-100 per cent (less directors' qualifying shares) of the voting shares of Tarrant Bank, Fort Worth, Texas.

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To Expand a Bank Holding Company Pursuant to Section 4(c)(8) of the Bank Holding Company Act of 1956

Manufacturers Hanover Corporation, New York, New York, notification of intent to engage in de novo activities (acting as an agent or broker for the sale of property damage and liability insurance which is related to loans and other extensions of credit made, acquired or serviced by Ritter Finance Company, Inc., of Georgia) at South Main Street, Butler; 335 D North Glynn Street, Fayetteville; 118 South Main Street, Jonesboro; 34 South Lafayette Square, LaGrange; 107 Broad Street, Manchester; 101 South Church Street, Thomaston, all located in Georgia, through its subsidiary, Ritter Finance Company, Inc. of Georgia (10/13/78) 3/

Merchants National Corporation, Indianapolis, Indiana, notification of intent to engage in de novo activities (leasing of capital goods and equipment to industry, banks or others, or acting as agent, broker, or advisor in leasing such personal property where

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

APPLICATIONS RECEIVED-Continued

at the inception of the initial lease the effect of the transaction will yield a return that will compensate the lessor for not less than the lessor's full investment in the property plus the estimated total cost of financing the property over the term of the lease and such leases shall comply with Section 225.4(a)(6) of Regulation Y issued by the Board of Governors of the Federal Reserve System) at 2709-C Pan American Freeway, N.E., Albuquerque, New Mexico, through its subsidiary, Pacific American Leasing Corporation (10/11/78) 3/

Illinois Bancshares, Inc., Mascoutah, Illinois, notification of intent to engage in de novo activities (personal property leasing activities, or acting as agent and broker for personal property leasing activities) at Nine East Main, Mascoutah, Illinois (10/13/78) 3/

First Bank System, Inc., Minneapolis, Minnesota, notification of intent to engage in de novo activities (the leasing of personal property) in Milwaukee, Wisconsin (10/12/78) 3/

BankAmerica Corporation, San Francisco, California, notification of intent to engage in de novo activities (making or acquiring, for its own account loans and other extensions of credit such as would be made of acquired by a finance company and servicing loans and other extensions of credit; such activities will include, but not be limited to, making consumer installment loans, purchasing installment sales finance contracts, making loans and other extensions of credit to small businesses, and making loans secured by real and personal property; and the offering of credit related life, credit related accident and disability insurance, and credit related property insurance in connection with extensions of credit made or acquired by FinanceAmerica Consumer Discount Company) at 1500 DeKalb Pike, Norristown, Pennsylvania, through its indirect subsidiary, FinanceAmerica Consumer Discount Company (10/5/78) 3/

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

APPLICATIONS RECEIVED-Continued

To Expand a Bank Holding Company Pursuant to Section 4(c)(12) of the Bank Holding Company Act of 1956

Heights Finance Corporation, Peoria, Illinois, notification of intent to purchase some of the assets of Colony Acceptance Corporation, Indianapolis, Indiana (10/12/78) 3/

Kemper Corporation, Long Grove, Illinois, notification of intent to acquire additional shares of the capital stock of Gibraltar Financial Corporation of California, a savings and loan association (10/12/78) 3/

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REPORTS RECEIVED

Current Report filed Pursuant to Section 13 of the Securities Exchange Act

The City Bank Company, Lorain, Ohio.

The Sylvania Savings Bank Company, Sylvania, Ohio.

Seattle Trust & Savings Bank, Seattle, Washington.

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PETITIONS FOR RULEMAKING

None.

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.