

ANNOUNCEMENT BY

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
(H.2, 1979 No. 5)

Actions of the Board; Applications and Reports

Received During the Week Ending February 3, 1979

ACTIONS OF THE BOARD

Statement by Chairman G. William Miller before the Joint Economic Committee on the state of the economy.

Statement by Governor Nancy H. Teeters, before the Senate Banking Committee on Truth in Lending simplification.

Equal Credit Opportunity Act, Annual Report to Congress for the year 1978.

Consumer Advisory Council meeting scheduled for February 21-22, 1979.

Right to Financial Privacy Act of 1978; the Federal Reserve Board proposed for public comment a statement setting forth the rights to privacy customers of financial institutions have, under a new statute, when a Federal agency seeks financial information about them; the Board asked for comment by February 16, 1979. (Docket No. R-0197)

The Federal Bank regulatory agencies proposed regulations to carry out the new Depository Institution Management Interlocks Act; public comment on the proposal should be received by March 5, 1979. (Docket No. R-0198)

Issuance of subordinated capital notes by Bank of Arlington, Arlington, Washington.

Carthage Bancshares, Inc., Carthage, Texas, extension of time to April 2, 1979, within which to consummate the acquisition of The First National Bank of Carthage, Carthage, Texas. 1/

Texas Panhandle Bancshares, Inc., Borger, Texas, extension of time to March 30, 1979, within which to consummate the acquisition of Panhandle Bank & Trust Company, Borger, Texas. 1/

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

ACTIONS OF THE BOARD-Continued

Bank of Cairo, Cairo, Missouri, permission to make an additional investment in bank premises. 1/

Bay City Bank & Trust Company, Bay City, Michigan, permission to make an investment in bank premises. 1/

Commerce Bank of Moberly, Moberly, Missouri, permission to make an investment in bank premises. 1/

Farmers Savings and Trust Company, Mansfield, Ohio, permission to make an investment in bank premises. 1/

Union Bank & Trust Company, Montgomery, Alabama, permission to make an additional investment in bank premises. 1/

First National Bank of Logan, Logan, Utah, proposed merger with Zions First National Bank, Salt Lake City, Utah; report to the Comptroller of the Currency on competitive factors. 1/

First Steuben Bancorp, Inc., Toronto, Ohio, proposed consolidation with Heritage Bank, Toronto, Ohio; report to the Federal Deposit Insurance Corporation on competitive factors. 1/

New National Bank of Commerce of Dallas, Dallas, Texas, proposed merger with National Bank of Commerce of Dallas, Dallas, Texas; report to the Comptroller of the Currency on competitive factors. 1/

Riverside State Bank, Fort Worth, Texas, proposed merger with New Riverside Bank, Fort Worth, Texas; report to the Federal Deposit Insurance Corporation on competitive factors. 1/

1/ Application 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

Withdrawn

Manufacturers Hanover Trust Company/Central New York, Rochester, New York. Branch to be established at 40-62 Genesee Street, Auburn, Cayuga County.

Approved

Commerce Bank of Moberly, Moberly, Missouri. Branches to be established at the following locations: South Morley and Urbandale Road and at North Morley and Sparks Avenue, Moberly, Randolph County. 1/ & 2/

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

Withdrawn

Raymondville Bancshares, Inc., Raymondville, Texas, for approval to acquire 80-93.82 per cent (less directors' qualifying shares) of the voting shares of Raymondville State Bank, Raymondville, Texas. 2/

Suspended

First National Bancshares, Inc., Plainview, Texas, for approval to acquire at least 80 per cent of the voting shares of First National Bank of Plainview, Plainview, Texas. 2/

Approved

Dunlap Corporation, Slater, Iowa, for approval to acquire 80 per cent or more of the voting shares of South Story Bank & Trust, Slater, Iowa. 1/ & 2/

St. Clair Bancorporation, Inc., East St. Louis, Illinois, for approval to acquire 93.279 per cent of the voting shares of First National Bank of East St. Louis, East St. Louis, Illinois. 1/ & 2/

Glen-An Corporation, Kanaranzi, Minnesota, for approval to acquire 95.6 per cent of the voting shares of Farmers State Bank of Kanaranzi, Kanaranzi, Minnesota. 2/

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

2/ Application subject to Community Reinvestment Act.

ACTIONS OF THE BOARD-Continued

Corning Investment Company, Inc., Atchison, Kansas, for approval to acquire 80 per cent or more of the voting shares of The Farmers State Bank of Corning, Corning, Kansas. 1/ & 2/

My Anns Corporation, Piqua, Kansas, for approval to acquire 80 per cent or more of the voting shares of The Piqua State Bank, Piqua, Kansas. 1/ & 2/

Wood River Financial Services, Inc., Wood River, Nebraska, for approval to acquire 95 per cent (less directors' qualifying shares) of the voting shares of Bank of Wood River, Wood River, Nebraska. 1/ & 2/

Planters & Merchants Bancshares, Inc., Hearne, Texas, for approval to acquire 80-100 per cent (less directors' qualifying shares) of the voting shares of Planters & Merchants State Bank of Hearne, Hearne, Texas. 1/ & 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

Capital Management, Inc., Lincoln, Nebraska, for approval to acquire an additional 14,755 shares of Broken Bow Enterprises, Inc., Broken Bow, Nebraska and indirectly Broken Bow State Bank, Broken Bow, Nebraska. 2/

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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

Colonial American Bankshares Corporation, Roanoke, Virginia, for approval to retain the Lynchburg, Virginia, office of its wholly-owned subsidiary, Colonial American Mortgage Corporation, Roanoke, Virginia.

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

2/ Application subject to Community Reinvestment Act.

ACTIONS OF THE BOARD-Continued

Barnett Banks of Florida, Inc., Jacksonville, Florida, for approval to engage de novo in the check authorization business through a subsidiary, Verifications, Inc., Jacksonville, Florida.

Delayed

Pittsburgh National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (to act as agent or broker with respect to the sale of any insurance for the banking subsidiary of the holding company, among such coverages may be property damage, extended coverage insurance on real and personal property owned or leased by the banking subsidiary, physical damage, property damage and liability insurance on motor vehicles owned or leased by the banking subsidiary, public liability coverage for the banking subsidiary and its employees, blanket bonds, safe deposit liability, and employee hospital medical, accidental death and disability insurance; credit related insurance which will protect personal property or real property securing loans and other extensions of credit made or acquired by or personal property leased by Pittsburgh National Corporation and its subsidiaries and credit related insurance, such as liability insurance sold in connection with property damage insurance calculated to protect the lender's or lessee's ability to obtain payment; credit related life insurance, including mortgage redemption insurance, and credit related accident and disability insurance on the life or health of borrowers, debtors or lessees of Pittsburgh National Corporation and its subsidiaries or of borrowers, debtors or lessees of loans or other extensions of credit serviced by Pittsburgh National Corporation and its subsidiaries; insurance on mortgage property, including homeowner's insurance on mortgage loans made, acquired or serviced by Pittsburgh National Corporation and its subsidiaries) at Pittsburgh National Building, 5th Avenue and Wood Street, Pittsburgh, Pennsylvania, through a subsidiary, Pinaco, Inc. (1/30/79) 3/

First Northern Bancorporation, Anchorage, Alaska, notification of intent to engage in de novo activities (packaging, brokering and the making or the consulting for all types of lease and loan financing for all types of personal, commercial and industrial property not including real estate) at 101 West Benson Boulevard, Anchorage, Alaska, through its subsidiary, First Northern Leasing, Inc. (1/31/79) 3/

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

ACTIONS OF THE BOARD—ContinuedPermitted

Citicorp, New York, New York, notification of intent to engage in de novo activities (making consumer installment personal loans, purchasing and servicing for its own account installment sales finance contracts, making loans for the account of others such as one-to-four family unit mortgage loans, making loans to individuals and businesses secured by real and personal property, the proceeds of which may be for purposes other than personal, family or household usage; sale of credit related life and accident and health, or decreasing or level (in the case of single payment loans) term life insurance to cover the outstanding balances of 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 laws and regulations; the sale of credit related property and casualty insurance protecting personal and real property subject to a security agreement with Citicorp Person-to-Person Financial Center, Inc. and to include liability coverage in home and automobile policies where such is the 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 reinsured by Family Guardian Life Insurance Company (formerly known as Gateway Life Insurance Company) an affiliate of Citicorp Person-to-Person Financial Center, Inc.; further, in regard to the sale of credit-related insurance, the subsidiary will not act as a general insurance agency) at Vanir Tower, City Hall Plaza, 290 North D. Street, Suite 804, San Bernadino, California, through its subsidiary, Citicorp Person-to-Person Financial Center, Inc. (2/3/79) 3/

Mellon National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (acting as an insurance agent or broker for the following types of insurance: property and casualty insurance forms for personal, commercial and industrial lines; other insurance forms for inland marine, flood, surety bond and title lines, such insurance shall be sold only to customers of Mellon National Corporation and its subsidiaries and shall be directly related to

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

ACTIONS OF THE BOARD-Continued

an extension of credit or the provision of other financial services by Mellon National Corporation and its subsidiaries; Carruth Mortgage Corporation would not be acting as a general insurance agent for the public) at various offices located throughout the State of Louisiana, through its wholly-owned subsidiary, Carruth Mortgage Corporation, New Orleans, Louisiana (1/28/79) 3/

NB Corporation, Charlottesville, Virginia, notification of intent to engage in de novo activities (providing data processing services of a banking, financial or related economic nature) at the branch of National Bank and Trust Company, south of Rio Road on the east side of U.S. Route 29, Charlottesville, Virginia, through its subsidiary, NB Service Corporation (1/29/79) 3/

Virginia National Bankshares, Inc., Norfolk, Virginia, notification of intent to engage in de novo activities (making direct consumer installment loans, secured and unsecured, to individuals; purchasing consumer installment sales finance contracts, extending direct loans to dealers for the financing of inventory (floor planning) and working capital purposes; making, acquiring, and servicing for its own account or for the account of others, loans secured principally by second mortgages on real property; and acting as agent for the sale of credit life and credit accident and health insurance and physical damage insurance all of which are directly related to extensions of credit) at 201 East Cary Street, Richmond, Virginia, through its subsidiary, Atlantic Credit Corporation (2/2/79) 3/

First National Corporation of El Reno, Inc., El Reno, Oklahoma, notification of intent to engage in de novo activities (acting as insurance agent for the sale of decreasing term credit life insurance, credit accident and health insurance and level term credit life insurance on single payment notes through an indirect, wholly-owned subsidiary, First National of El Reno Insurance Agency, Inc., El Reno, Oklahoma, the stock of which will be owned by First National of El Reno Business Trust in which First National Corporation of El Reno, Inc. will hold 100 per cent beneficial interest) at offices located on the premises of First National Bank and Trust Company of El Reno, El Reno, Oklahoma (2/1/79) 3/

3/ 4(c) (8) or 4(c) (12) notification 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

First Virginia Bank - Shenandoah Valley, Strasburg, Virginia. Branch to be established at King and Holiday Streets, Strasburg. 2/

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

Cuba Bancorporation, Inc., Cuba, Illinois, for approval to acquire 80 per cent or more of the voting shares of State Bank of Cuba, Cuba, Illinois. 2/

FIRST STATE BANCORP OF HARVEY, Harvey, Illinois, for approval to acquire 80 per cent or more of the voting shares of First State Bank of Harvey, Harvey, Illinois. 2/

Ford Financial Corporation, Kempton, Illinois, for approval to acquire 80 per cent or more of the voting shares of Kempton State Bank & Trust Company, Kempton, Illinois. 2/

Capital City Corporation, St. Paul, Minnesota, for approval to acquire 90.6 per cent of the voting shares of Capital City State Bank of Saint Paul, St. Paul, Minnesota. 2/

Fairland Banshares, Inc., Fairland, Oklahoma, for approval to acquire 86 per cent or more of the voting shares of The First National Bank of Fairland, Fairland, Oklahoma. 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

First Dover Investment Company, Inc., Elgin, Minnesota, for approval to acquire an additional 35.2 per cent of the voting shares of First State Bank of Dover, Dover, Minnesota. 2/

2/ Application subject to Community Reinvestment Act.

APPLICATIONS RECEIVED-Continued

Mid-America Bancshares, Inc., Kansas City, Missouri, for approval to acquire 50.03 per cent of the voting shares of Goppert Bancshares, Inc., Kansas City, Missouri. 2/

Southwest Bancshares, Inc., Houston, Texas, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Lewisville National Bank, Lewisville, Texas. 2/

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

Bankers Trust New York Corporation, New York, New York, notification of intent to engage in de novo activities (activities that may be carried on by a trust company including activities of a fiduciary, investment advisory, agency or custodian nature) at 250 Royal Palm Way, Palm Beach, Florida, through its subsidiary, Bankers Trust Company of Florida (1/31/79) 3/

Chemical New York Corporation, New York, New York, notification of intent to relocate de novo activities (making direct loans and purchasing installment sales finance contracts such as would be made or acquired by consumer finance companies, including making loans secured by real and personal property; and acting as agent or broker for the sale of credit related life, credit related accident and disability, and credit related property and casualty insurance issued in connection with extensions of credit) from 4010 Oleander Drive, Wilmington, North Carolina to 5041 New Centre Drive, Wilmington, North Carolina, through its subsidiary, Sunamerica Financial Corporation (2/2/79) 3/

Citicorp, New York, New York, notification of intent to engage in de novo activities (commercial lending activities for its own account with the intention that Citibank, N.A., Citibank (New York State), N.A., and other commercial banks may participate in the loans; and leasing personal or real property or acting as agent, broker or adviser in leasing such property

2/ Application subject to Community Reinvestment Act.

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

APPLICATIONS RECEIVED-Continued

subject to all of the qualifications specified in 12 CFR 225.4(a)(6)(a) and (b) where the leases serve as the functional equivalent of an extension of credit to the lessee of the property) at 44 Montgomery Street, 37th Floor, San Francisco, California, through its subsidiary, Citicorp (USA), Inc. (formerly known as Citicorp Commercial, Inc.) (1/29/79) 3/

First Pennsylvania Corporation, Philadelphia, Pennsylvania, notification of intent to relocate de novo activities (operating an industrial bank in the manner authorized by Colorado State Law, including the acceptance of time and savings deposits; making or acquiring, for its own account or for the account of others, loans and other extensions of credit; servicing loans and other extensions of credit; selling the following types of insurance in connection with its loans and other extensions of credit: credit life insurance, credit accident and health insurance and property damage and liability insurance as part of a package of insurance relating to physical damage of collateral) from 9975 East Colfax Avenue, Aurora, Colorado to Hampden Green Shopping Center, 1511 East Hampden Avenue, Aurora, Colorado, through its indirect subsidiary, East Continental Industrial Bank (1/23/79) 3/

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to (a) engage in de novo activities (originating FHA, VA and Conventional residential mortgage loans) at Amber Meadows Professional Building, Suite 13, 198 Thomas Johnson Drive, Frederick, Maryland and 7320 Old York Road, Melrose Park, Pennsylvania, through its subsidiary, Colonial Mortgage Service Company Associates, Inc. (b) to relocate de novo activities (continue to engage in residential mortgage loan origination activities) from 8316 Arlington Boulevard, Fairfax, Virginia to 7700 Little River Turnpike, Annandale, Virginia, through a subsidiary, Colonial Mortgage Service Company Associates, Inc. (c) to engage in de novo activities (servicing residential mortgage loans) at 7320 Old York Road, Melrose Park, Pennsylvania, through a subsidiary, Colonial Mortgage Service Company Associates, Inc. and (d) to engage in de novo activities (servicing residential mortgage loans) at 11400 Rockville Pike, Suite 200, Rockville, Maryland, through a subsidiary, Colonial Mortgage Service Company Associates, Inc. (1/25/79) 3/

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

APPLICATIONS RECEIVED-Continued

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to (a) to engage in de novo activities (originating FHA, VA and Conventional residential mortgage loans) at Route 5 South, Hughesville, Maryland, 11400 Rockville Pike, Suite 200, Rockville, Maryland, and 9111 Edmonston Pike, Suite 200, Greenbelt, Maryland, through its subsidiary, Colonial Mortgage Service Company Associates, Inc. and (b) to relocate de novo activities (mortgage loan origination activities) from 600 Reistertown Road, Pikesville, Maryland to 1224 and 1230 Race Road, Baltimore, Maryland, through a subsidiary, Colonial Mortgage Service Company Associates, Inc. (1/25/79) 3/

Pittsburgh National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (mortgage banking, including the making or acquiring and servicing for its own accounts or the accounts of others, loans and other extensions of credit) at 222 North Mountain Avenue, Suite 202, Upland, California, through its wholly-owned subsidiary, The Kissell Company (2/1/79) 3/

The Citizens and Southern Corporation, Charleston, South Carolina, notification of intent to engage in de novo activities (servicing loans and other extensions of credit and making or acquiring for its own account loans and other extensions of credit such as would be made by a mortgage or finance company; and acting as agent in the sale of credit life insurance in connection with extensions of credit) at 1515 Mockingbird Lane, Suite 104, Park Seneca Building, Charlotte, North Carolina, through a subsidiary, Carolina National Mortgage Investment Company, Inc. (2/2/79) 3/

Century Banks, Inc., Fort Lauderdale, Florida, notification of intent to engage in de novo activities (sale of credit life and credit accident and health insurance sold in conjunction with the extensions of credit by subsidiary banks) in Ft. Lauderdale, West Palm Beach, Gainesville, Melbourne, Pensacola, Gulf Breeze, Milton, Lehigh Acres, St. Petersburg and Palatka, all in Florida, through a subsidiary, CBI Insurance Agency, Inc. (2/1/79) 3/

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

APPLICATIONS RECEIVED-Continued

Deposit Guaranty Corp., Jackson, Mississippi, notification of intent to engage in de novo activities (making or acquiring, for its own account or for the account of others, loans and other extensions of credit such as would be made by a mortgage company and of servicing loans and other extensions of credit for any person; and selling and participating in the proceeds of the sale of credit life (mortgage cancellation) and credit accident and health insurance related to loans and other extensions of credit by said subsidiary) in Natchez, Greenwood and Laurel, Mississippi, through a subsidiary, Deposit Guaranty Mortgage Company (1/29/79) 3/

Walter E. Heller International Corporation, Chicago, Illinois, notification of intent to engage in de novo activities (commercial finance activities) at Suite 1855, 100 Main, Kansas City, Missouri, through its subsidiary, Walter E. Heller & Company (1/31/79) 3/

Midland Capital Co., Oklahoma City, Oklahoma, notification of intent to engage in de novo activities (mortgage banking, including origination and servicing of all types of residential and commercial mortgage loans) at 7002 Moody Street, Suite 205, La Palma, California, through a subsidiary, Midland Mortgage Co. (1/29/79) 3/

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REPORTS RECEIVED

None.

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PETITIONS FOR RULEMAKING

None.

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