Checking accounts lose bounce with savings transfers

By Lucy Bighia

How would you like to write a check for that darling down ski-jacket-a real bargain at a mere \$95.99without worrying about your mere 99 cent checking ac-

No problem. When the check reaches your bank, \$95 is automatically transferred from your savings account to your checking account.

Sound far-fetched? Barring last-minute legal hassles, this handy system will soon be offered by Lincoln banks.

On Nov. 1, the Federal Deposit Insurance Corporation and the Federal Reserve System will authorize member commercial banks to automatically transfer funds from savings accounts to checking accounts, with the customer's approval.

For banks, this will be the equivalent of interest-paying

checking accounts.

Such a transfer system could have a serious effect on savings and loan associations, which aren't allowed to offer any form of checking systems.

Fear dollar transfers The U.S. Savings League is seeking to block the Nov. 1

Tour, shopping set for K.C. expedition

An art gallery tour and shopping expedition to Kansas City is being offered by the UNL Flights and Study Tours Thursday for \$18.

A few seats still are available for the trip.

Participants will have the opportunity to tour either the Kansas City Art Institute and Gallery or the Richard Estes Painting Exhibit at the Nelson Art Gallery.

In the afternoon, participants will be free to stay at the are galleries or to shop at nearby Country Club Plaza. Buses depart for Kansas City at 6.30 a.m. Thursday from the south side of the Nebraska Union, and return to Lincoln at 11 p.m.

Spaces may be reserved by calling 472-3265.

The \$18 includes the charter bus to and from Kansas City, and admittance and tour at Nelson Art Gallery or Kansas City Art Institute.



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start-up of automatic transfer through court action.

The league fears that commercial banks, by increasing their number of offices and services, will attract many savings and loan depositors to transfer their passbook accounts to banks, where they can receive what amounts to "interest-earning checking accounts."

Savings and loans presently are allowed to pay a quarter percent higher interest on savings accounts than

The president of First Federal Lincoln Savings and Loan Company, Charles Thorne, said ne felt such a system would undoubtedly create added competition for savings dollars.

His company still has a quarter percent interest advantage over banks, but "that doesn't amount to an awful lot when you think in terms of \$1,000 or 30 days," Thorne

Grin and bear it

"We'll have to try to combat this with added services and conveniences," he said. "And I hope our people smile a lot broader."

One such additional service is the bill paying by phone service available to First Federal customers, he said.

Other than that, savings and loans are going to have to accept the fact the average person is going to maintain a checking account, Thorne said.

The executive vice-president of Commercial Federal Savings and Loan, Kenny King, on the other hand, said he is not worried about the new system.

"We don't think it's any competition for our 'cash action' (phone-in bill paying) program," he said.

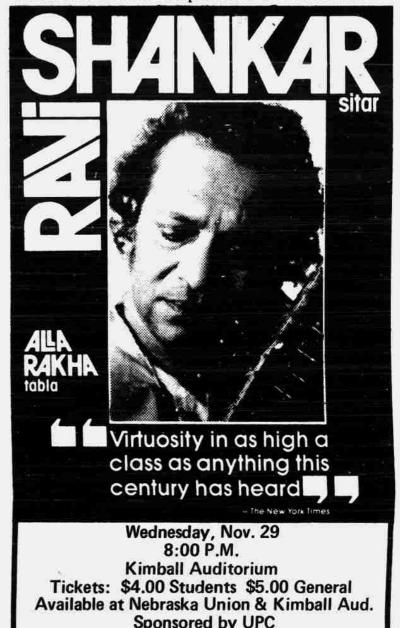
Several Lincoln banks have already announced plans for their new transfer systems.

Some banks will operate on a "zero-balance" checking system, in which all of the customers' money will be kept in savings, and just enough to cover each check will be transferred.

Other banks require as much as a \$500 minimum balance in both savings and checking accounts.

Service charges for the transfers range from nothing to 50 cents for each transfer plus 10 cents for each check.





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