

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 \$95.99—without worrying about your mere 99 cent checking account balance?

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

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 banks.

The president of First Federal Lincoln Savings and Loan Company, Charles Thorne, said he 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 said.

Grim 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.

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 art 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.

THE NEW Standard Blue
1616 P STREET
 JUST WEST OF "HERMS"
474-2062
 Architectural, Engineering, Drafting and Basic Art Supplies.
 Xerox and Diazo Blue-line Services.
10% off
 ANY PURCHASE WITH THIS AD

SHANKAR sitar
RANI

ALA RAKHA tabla
 Virtuosity in as high a class as anything this century has heard.
 — The New York Times
 Wednesday, Nov. 29
 8:00 P.M.
 Kimball Auditorium
 Tickets: \$4.00 Students \$5.00 General
 Available at Nebraska Union & Kimball Aud.
 Sponsored by UPC

Distillery Disco
\$1.40 pitchers
30¢ draws
Every Wed. Night
INDIAN VILLAGE SHOPPING CENTER
 13th & High

FREE JEANS!
 (Lee's, Wrangler)
 *With the purchase of any pair of boots by Justin, Tony Lama, or Dan Post.
1/2 PRICE JEANS
 *Buy any pair of Acme boots, and purchase any pair of jeans for half price.
 1242 High St.
 423-3932
 Monday-Saturday 10-6
 Thursday 'til 9
 Free Parking


A.T. Thomas Jewelers
Anniversary Sale
 Save 10% to 30%

STOREWIDE SALE
 Lay Away for X-Mas
A.T. Thomas Jewelers
 Student Accounts Welcome The Atrium 1200 N St. 475-9709