

Mortgage is easier to obtain

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for other related expenses, such as closing costs (fees involved in transferring the property title from seller to buyer) and mortgage insurance (a required

insurance on some types of mortgages that protects the lender if you stop making payments).

A mortgage account executive is ready to help you through the homebuying process. Your

account executive can answer your home financing questions and can help put you in the home you have been dreaming about. To find out if you qualify for an affordable mortgage, call a financial institution in your

area.

Jesse Cureton Jr. is an account executive with NationsBank Mortgage Corporation in Charlotte.

McCull leads bank's diversity

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banks in the nation was not NationsBank's original plan. Thomas Storrs, McCull's predecessor, commissioned a study group to review the future of NCNB. Based on the findings of the study group, Storrs concluded that NCNB did not have much of a future in an interstate banking environment if it did not expand outside of North Carolina. Under pending interstate banking laws, banks could do business anywhere they wanted with few restrictions.

Because NCNB had subsidiaries nationwide, it was able to use a grandfather clause in Florida to purchase Florida banks. NCNB's bold move got other southeastern banks focused on expanding regionally to keep Money Center banks from hostile takeovers. As a consequence, the Southeast Bank Compact was formed, where regional banks and states designed laws permitting mergers to take place with other southeastern banks provided that 70 percent of the banks' deposit base was in the region. This effectively blocked money center banks from getting into the southeast while allowing southeastern banks time to expand and to become more competitive in an interstate climate.

While other southeastern banks were content holding non-southeastern banks out, the success NCNB realized merging with southeast banks had whetted its appetite for

more. But the compact was blocking them in. Moreover, the fear for NCNB was no longer the threat from a northern takeover, but rather from the southwest.

Big Texas banks were highly capitalized and presented the major threat to the southeast. But the 1986 oil crisis crashed the Texas market. Once again, the aggressive nature of NCNB saw this as an opportunity to seize the moment. NCNB put together a plan with the FDIC to help turn the Texas acquisition around. With a 20 percent stake in Texas, NCNB was able to ride out the state's economic downturn and soon begin to make money from its holdings. Under a new name, NationsBank, the company made lots of money. It was at this point McCull made the hostile tender offer for C&S Bank out of Georgia. He soon realized that even with his successes, many still viewed him and his bank as upstarts. But this bold move according to McCull was got the bank world wide attention.

"The Texas deal shook them up, but the hostile tender offer really shook them," McCull said. NationsBank eventually had to withdraw his offer for C&S. But it was able to go to financial markets and raise huge amounts of capital, which was used to purchase the remaining 80 percent of the Texas banks.

This community vision is a part of McCull's philosophy of life which has been instilled in NationsBank's corporate culture. But even McCull admits that he was not always a giving



PHOTO/CALVIN FERGUSON

"I view diversity as treating everybody like a Marine," says NationsBank CEO Hugh McCull.

and caring person.

"I grew up in a racially segregated little country town of Bennettsville, S.C.; born in '35, went off to college in '53," he said. "I was a typical product of that era. I went off to college and I was not particularly thoughtful about other people's problems."

It was in the Marines where McCull learned everybody put their pants on exactly the same way. Survival meant teamwork. Leaders don't eat before the troops. Being able to carry your load and being able to shoot straight was what mattered. Race, religion, where you were from, where you went to school were all unimportant. "The Marine Corps taught me everything I needed to know about management," McCull said.

On diversity, McCull uses the biblical quote, "Do unto others as you would have them do unto

you."

"I view diversity as treating everybody like a Marine," McCull said. "I don't see anything terribly complicated about this."

McCull admitted that individuals within NationsBank have biases, because they are human. But he said that the company will not tolerate it where it matters. In other words, prejudice better not show its ugly head.

After spending an hour with McCull and tracking all of his accomplishments, you realize that if this man says a mosquito can pull a plow, don't ask him how.

Just hitch him up.

Prisons can be profitable with Rhode Island plan

THE ASSOCIATED PRESS

PROVIDENCE, R.I. — A strategic business plan, some new equipment and a pledge by state purchasing agents to buy products could boost profits in the sagging Corrections Department prison industry, the state auditor has said.

With a 3,000-plus inmate work force making license plates and furniture, fixing cars and doing laundry, among other jobs, the program could be a moneymaker if improvements are made, state Auditor Ernest Almonte said in a report last week.

The industry brought in \$4.7 million in sales last year, of which \$42,000 remained after expenses. It was the program's first profit in years, but the surge was mainly due to one contract to relocate and furnish the University of Rhode Island's College of Continuing Education.

"Administrators of the program have not comprehensively identified feasible products and services, determined appropriate pricing levels ... considered the skill of its work force, and measured customer demand for current and potential products and services," the report said.

The report criticizes state purchasing agents for failing to place orders despite a law that requires state agencies to use the goods and services when prices are comparable to those in private industry.

The state's chief purchasing agent, Peter Corr, has denied any reluctance to buy the products. He argued the industry has failed to follow the process required to be included on "approved brand" lists.

Auditors too say the industry shares some of the blame for having no plan to provide goods and offer services the state and communities need.

Both male and female inmates are paid \$3 a day to work in the industry. The program aims to train them in marketable skills, provide quality goods and services at low prices, and keep prisoners in touch with the work world.

Auditors found no adequate means to measure the program's achievements, since it does not track employment after the inmates' release.

To improve the program, auditors recommended offering goods and services such as data processing, telemarketing, asbestos removal, and mailing services available in comparable industries in other states.

State agencies could donate equipment they no longer use to help the industry provide such services, auditors said.

Jeffrey Laurie, Corrections Department assistant director for rehabilitative services, said he agreed with the findings. The program has been hampered by a reluctance to compete with Rhode Island businesses, he said.

"In years ahead, we want to look at it as an enterprise that makes money, and the audit, has, for us, set a direction," Laurie said.

20 ways to save money

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check and you can save or invest the extra cash so that you — and not Uncle Sam — earns interest on your money.

9) Save your raise. Resolve to save the extra money you get in your paycheck after you've gotten a raise. Do the same with any bonuses you receive and you'll really come out ahead.

10) Make it painless. If your adjustable rate mortgage adjusts downward, plan to save — not spend — your monthly windfall.

11) Reach for higher yields. To compete with money market mutual funds, some banks offer penalty free Certificates of Deposit — but watch out for hidden charges.

12) Put found money away. If you're earning more than the Social Security withholding cap on payroll taxes, your Social Security deduction will stop before year-end. Take the portion of your salary that you previously turned over to the government and put it toward your personal retirement savings.

13) Switch credit cards. With a credit card that charges less interest, you can pay off your balance faster and free up money for saving.

14) Open a "think twice" account. Every time you decide not to buy something, write a check for the amount you would have paid for the item and deposit it into a separate account. Before long, you'll forget what you gave up and have a tidy sum to invest.

15) Pay down your mortgage. Send an extra \$50 or more with your monthly mortgage payment and you'll pay off your mortgage earlier and save thousands on interest.

16) Make the most of emergency funds. Don't keep all your emergency funds — typically three to six months worth of living expenses — in a low-yielding savings account. Put a portion of it in higher yielding, yet liquid investments, such as short-term CDs or money market mutual funds.

17) Use a discount broker or buy direct. Unless you need pro-

fessional advice, consider buying and selling stocks and bonds through a discount broker. You can also cut your costs by buying stock directly from a company.

18) Consider investing in municipal bonds. Any interest earned on these bonds is free of federal income tax. That feature can boost the yield on your investment significantly. 19) Refinance your mortgage. Consider looking into refinancing if the interest rate on your existing mortgage is two or more points higher than today's rates. Then invest the money you save on your monthly payments.

20) Commit to planning. Keep more of your money when you take advantage of opportunities available to those who make tax planning a year-round event.

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Funds should be monitored closely

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tempted to diversify by investing in some hot new mutual fund. But resist that temptation. Mutual funds, by definition, provide diversity, so a better strategy may be to buy more of a successful fund you already own.

There are advantages to buying a fund you know rather than adding a hot fund you may not know anything about. You already know how your fund is run and what kind of risk it entails. All too often, a new, heavily advertised fund comes with surprises. The same extreme approach that made it such a hot number can turn it cold quickly if market conditions turn. Consider using the pro-

ceeds from eliminating a weak fund to invest more in a proven winner.

Sell funds that have changed strategies

When you bought your mutual fund, you probably chose one with an investment strategy that matched your own. If that fund's strategy has changed, it may be time for you to look for a new mutual fund.

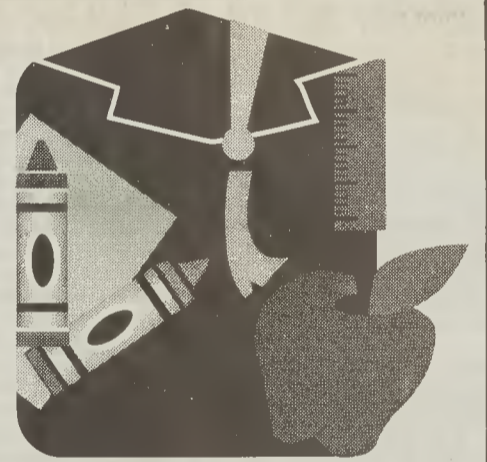
Funds can change managers, names, strategies, and often all three. Do a little homework. What is the background of the new manager? Does he or she have a strong track record? Is he or she looking to change the

strategy of the fund? You may find that the new manager passes muster. If not, a wait-and-see approach may still make sense.

Has the name of the fund changed? Does the new name reflect a new strategy? If you liked the old strategy, this is not good news. Other things to consider are a change in the fund's size, or new ownership. It may be time for you to move on.

Charles Ross is host of the nationally syndicated radio program, "Your Personal Finance," and author of Your CommonSense Guide to Personal Financial Planning.

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