

Huntington National Bank of Indiana (Railroadmen's Federal Savings & Loan Association)

Founded: 1887

Location: Union Station (1887–1917); 21 Virginia Avenue (1917–)

The Railroadmen's Federal Savings & Loan Association was, in part, a product of the railroad boom of the 1880s. William T. Cannon, a native of Logansport, was the paymaster of the Indianapolis Union Railway Company, which operated the Belt Railroad that surrounded the city and fed into Union Station downtown. Many railroad workers, prone to spending most of their earnings, were falling prey to unscrupulous loan sharks, and Cannon began an informal savings bank for his company's employees, withholding a portion of their wages and storing the money in his desk at Union Station. He had no insurance to cover the large amount of money that he was accumulating, and, looking for alternatives, he learned of a successful savings program in Dayton, Ohio. After investigating the "Dayton Plan," Cannon helped build support for a paternalistic savings and loan association to be run by railway executives in Indianapolis. He convinced fourteen other railroad businessmen and managers to establish the Railroadmen's Building & Loan Association, which received a charter from the state of Indiana on 11 August 1887.

The first president of the Railroadmen's Building & Loan Association was I. H. Wilson, who served from 1887 to 1890. He was succeeded by David S. Hill, who was president from 1890 to 1913. In 1913 Cannon assumed the title of president, although he did not retire from his position at the railroad until 1917. The association's first offices

were on the second floor of Union Station. From an original capitalization of just over \$5,000, the association's assets grew to \$1 million by 1903. Its first home loan was made one month after its founding.

The association prospered in the first decades of the twentieth century. In 1917 it moved into a new building at 21 Virginia Avenue, which was designed by William Cannon's son, Fermor S. Cannon, an architect. By 1928 total assets had reached \$63 million. In May 1930, as the Great Depression deepened, heavy withdrawals from the association's accounts led Cannon to issue a public statement attesting to the institution's financial stability. Cannon claimed that Railroadmen's Building & Loan Association was the largest institution of its kind in the world, decrying unfounded and malicious rumors about its financial health. Cannon's public relations offensive, combined with the conservative management of the bank, lent the association a valuable stability throughout the depression. Cannon died in 1931 and did not see the end of the nation's financial crisis. However, just prior to his death, he spoke with his son, Fermor, about his concern for the association. Fermor was a director and a vice president of Railroadmen's Building and Loan Association in the 1920s, and William felt Fermor had a chance to become the institution's president. To secure the presidency Fermor needed to convince the board of his commitment and to persuade Elias J. Jacoby, a railway lawyer who was instrumental in founding the association, to become chairman of the board. This came to pass, and Jacoby was a great help to Fermor as he assumed the presidency.

In 1935 the association obtained a federal charter and the following year became the Railroadmen's Federal Savings & Loan Association. In 1936 Fermor became board chairman. During the 1940s the savings and loan helped remodel deteriorating homes,

raised money for war bonds, and financed homes for veterans. By 1954 the year Fermor retired as president, the association declared assets totaling over \$57 million and estimated that it had helped build over 100,000 homes in the Indianapolis area.

Railroadmen's Federal Savings & Loan Association began building branches in the 1970s. In 1981 it merged with the Brown County Federal Savings & Loan Association and in 1987 with Heritage Federal Savings Bank. The association experienced only minor financial difficulties during the 1980s, which were turbulent times in the savings and loan industry. It posted a net loss of 1.4 percent in 1984. It quickly returned to profitability and in 1987 changed from mutual to stock ownership. In 1990 the association acquired Archer Federal Savings & Loan of Chicago. With its stock price rising from \$7.25 per share to \$20.25 and earnings of \$6.61 million in 1992, Railroadmen's Federal Savings & Loan Association became a desirable acquisition target. In 1993 Huntington Bancshares of Ohio acquired the savings and loan for \$88 million, changing its name to the Huntington Bank of Indiana.