



# NEWS RELEASE

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## FDIC TRANSFERS INSURED DEPOSITS OF MOUNTAIN RIDGE STATE BANK, WEST ORANGE, NEW JERSEY

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and secured or preferred deposits of Mountain Ridge State Bank, West Orange, New Jersey, to Mountain Ridge Bank, West Orange, New Jersey, a newly chartered bank subsidiary of Hubco, Inc., Union City, New Jersey. The failed bank's sole office will reopen on Tuesday, October 9, 1990, as Mountain Ridge Bank.

The Board of Directors decided to arrange an insured deposit transfer because the FDIC was unable to quantify the value of the failed bank's assets.

Mountain Ridge State Bank, with total assets of about \$52.3 million, was closed on Friday, October 5, 1990, by Geoffrey M. Connor, Commissioner of Banking, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$51.0 million in 10,000 deposit accounts, including approximately \$2.9 million in 83 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Tuesday morning. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

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Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC net of the book value of the assets purchased by the agent bank. The acquiring bank is paying the FDIC a premium of \$325,000 for the right to receive the transferred deposits. It also will purchase \$7.7 million of the failed bank's assets and will have options to purchase loans and other assets of the failed bank. The FDIC will retain assets of the failed bank with a book value of \$44.6 million.

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