



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-207-90 (10-19-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF METROPOLITAN NATIONAL BANK, McALLEN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Metropolitan National Bank, McAllen, Texas, by Raymondville State Bank, Raymondville, Texas.

The failed bank's drive-up facility will reopen on Saturday, October 20, 1990, as a facility of Raymondville State Bank; its main office will reopen on Monday, October 22, 1990, as a branch of Raymondville State Bank. The failed bank's depositors automatically will become depositors of the assuming bank.

Metropolitan National Bank, with total assets of \$17.9 million, was closed on Friday, October 19, 1990, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Raymondville State Bank will assume about \$14.6 million in 3,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$155,000. It also will purchase certain of the failed bank's loans and other assets for \$13.7 million. To facilitate the transaction, the FDIC will advance about \$3.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.2 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC.

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank.

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