



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-226-90 (11-30-90)

FDIC APPROVES 50 PERCENT PAYMENT TO CREDITORS OF FREEDOM NATIONAL BANK OF NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation has approved the advance payment of 50 percent of the proven claims of uninsured depositors and other creditors against Freedom National Bank of New York, New York, New York.

The 50 percent dividend payment equals \$42.6 million, and will be funded by \$29.4 million in cash and marketable securities of the failed Freedom National Bank along with an advance of \$13.2 million from the FDIC.

"This advance dividend payment will benefit many of the charitable organizations and local churches that make up most of Freedom National's uninsured depositors," said FDIC Chairman L. William Seidman. "It will provide immediate funds to these groups while the FDIC continues to review their claims for 100 percent payment."

A total of 120 accounts with more than \$15 million exceed the federal insurance limit of \$100,000. Uninsured depositors and other general creditors will receive approximately \$7.9 million in advance dividend payments, while the FDIC as the largest creditor will receive \$34.7 million. Future dividend payments will be based on the FDIC's sale of the remaining assets of Freedom National, which was closed by the Comptroller of the Currency on November 9, 1990.

Freedom National's assets had a book value of \$98.2 million at the time of closing.

###