



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-230-90 (12-7-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF HEIGHTS BANK, HARKER HEIGHTS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Heights Bank, Harker Heights, Texas, by Heights State Bank, Harker Heights, Texas, a newly chartered state bank.

Heights Bank, with total assets of about \$30.3 million, was closed on Friday, December 7, 1990, by Kenneth W. Littlefield, Banking Commissioner, and the FDIC was named receiver.

The failed bank's drive-up window will reopen on Saturday, December 8, 1990, as Heights State Bank, and its main office will reopen on Monday, December 10, 1990. Depositors of Heights Bank automatically will become depositors of the assuming bank.

Heights State Bank will assume about \$26.3 million in 7,400 deposit accounts. It also will purchase approximately \$17.1 million of the failed bank's assets, including \$1.6 million of the bank's small loans at a discount of \$146,400.

To facilitate the transaction the FDIC will advance \$10.3 million to the assuming bank and will retain assets of the failed bank with a book value of \$13.2 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.

(more)

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

###