FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE PR-233-90 (12-12-90)

FDIC TRANSFERS DEPOSITS OF NEW ENGLAND ALLBANK FOR SAVINGS, GARDNER, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of deposits of New England ALLBANK for Savings, Gardner, Massachusetts, to Worcester County Institution for Savings, Worcester, Massachusetts. The failed bank's four offices will reopen on Thursday, December 13, 1990, as branches of Worcester County Institution for Savings.

New England ALLBANK for Savings, with total assets of about $177.0 million, was closed on Wednesday, December 12, 1990, by Thomas J. Curry, Commissioner of Banks, and the FDIC was named liquidating agent.

The Board of Directors decided to arrange a deposit transfer because no acceptable purchase and assumption bids were received.

At the time the bank closed, its deposits totaled about $171.0 million in 37,000 deposit accounts, including approximately $9.0 million in 225 accounts that exceeded the federal insurance limit of $100,000. The Mutual Savings Central Fund, Inc., a corporation established to provide financial assistance and deposit insurance to Massachusetts' savings banks through its Deposit Insurance Fund, provided deposit insurance for the 225 accounts. These excess funds have been transferred to Worcester County Institution for Savings and, as currently structured, will be considered uninsured deposits by the FDIC.

All deposits in the failed bank will be become deposits of the acquiring bank and will be available to their owners beginning Thursday, December 13. In the interim, checks drawn on the failed bank's accounts will continue to be honored.

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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.

Nondepositor creditors of New England ALLBANK for Savings will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC and the Mutual Savings Central Fund. The acquiring bank is paying the FDIC a premium of $160,000 for the right to receive the transferred deposits. It will purchase certain assets of the failed bank and will have options to purchase other assets.

To facilitate the transaction, the FDIC advanced about $162.0 million to the acquiring bank and will retain assets of the failed bank with a book value of about $167.0 million.

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