



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-78-89 (4-12-89)

### FDIC APPROVES DEPOSIT ASSUMPTION OF THE COMMONWEALTH BANK, BELLAIRE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The Commonwealth Bank, Bellaire, Texas, by Park National Bank of Houston, Houston, Texas. The failed bank's sole office will reopen on Thursday, April 13, 1989, as a branch of Park National Bank of Houston and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Commonwealth Bank, with total assets of about \$58.3 million, was closed on Wednesday, April 12, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Park National Bank of Houston will assume about \$53.0 million in 3,300 deposit accounts and will purchase approximately \$50.5 million of the failed bank's assets including \$2.2 million of the bank's small loans at a discount of \$123,000.

To facilitate the transaction the FDIC will advance \$4.5 million to the assuming bank and will retain assets of the failed bank with a book value of \$7.8 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. In this respect the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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