



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-139-89 (7-20-89)

FDIC TRANSFERS INSURED DEPOSITS OF FALLBROOK NATIONAL BANK, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of Fallbrook National Bank, Houston, Texas, to Charter National Bank-Colonial, Harris County, Texas. The failed bank's sole office will not reopen; however, its insured depositors will have access to their funds, up to the \$100,000 insurance limit, at the Cy-Fair branch of Charter National Bank-Colonial at 11025 FM 1960 West, Houston, Texas, on Friday, July 21, 1989.

The Board of Directors decided to arrange an insured deposit transfer because no bids were received for a purchase and assumption transaction.

Fallbrook National Bank, with total assets of about \$36.8 million, was closed on Thursday, July 20, 1989, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$35.4 million in 1,600 deposit accounts, including approximately \$57,000 in 12 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

Insured 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.

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Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$117,000 for the right to receive the transferred deposits. It also will purchase certain assets of the failed bank for \$4.1 million, and will have options to purchase loans and other assets of the failed bank. The FDIC will retain assets of the failed bank with a book value of \$32.7 million.

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