



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-146-89 (7-27-89)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF BRUSHY CREEK NATIONAL BANK, ROUND ROCK, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of Brushy Creek National Bank, Round Rock, Texas, by Union National Bank, Austin, Texas, in Austin, Texas.

The failed bank's sole office will reopen on Friday, July 28, 1989, as a branch of Union National Bank, Austin and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Brushy Creek National Bank, with total assets of \$10.1 million, was closed on Thursday, July 27, 1989, by Frank Maguire, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Union National Bank, Austin will assume about \$10.1 million in 2,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,000. It also will purchase certain of the failed bank's assets for \$6.5 million and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$3.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.5 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 shareholders of the closed bank.

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