



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-148-89 (7-27-89)

FDIC IS NAMED MANAGING AGENT OF NINE ADDITIONAL SAVINGS AND LOAN INSTITUTIONS

The Federal Deposit Insurance Corporation (FDIC) was named managing agent by the Federal Savings and Loan Insurance Corporation (FSLIC) for nine additional savings and loan institutions under the joint regulatory oversight program announced by President Bush in February. The institutions are located in Arkansas (1), Louisiana (2), Michigan (1) and Texas (5). A total of 253 savings and loans in 33 states are now enrolled in the program.

The insolvent institutions were placed in receivership and issued new federal charters by the Federal Home Loan Bank Board before being entered into the joint regulatory oversight program. They are: Capital Savings and Loan Association, West Helena, Arkansas; Lafayette Savings and Loan Association, Gretna, Louisiana; Commercial Federal Savings Bank, Hammond, Louisiana; Guaranty Federal Savings Bank, Taylor, Michigan; Capitol City Savings Association, Austin, Texas; Federal Savingsbank of the Southwest, Kilgore, Texas; New Braunfels Savings and Loan Association, New Braunfels, Texas; Hallmark Savings Association, Plano, Texas; and North American Savings Association, San Antonio, Texas.

All deposits, offices and certain liabilities of these institutions were transferred to the nine newly chartered federal mutual associations, whose names are, respectively: Capital Federal Savings and Loan Association; Lafayette Savings and Loan Association, F.A.; Commercial Savings and Loan Association, F.A.; New Guaranty Federal Savings and Loan Association; Capitol City Federal Savings Association; Federal Savings Association of the Southwest; New Braunfels Savings and Loan Association, F.A.; Hallmark

(more)

Savings and Loan Association, F.A.; and North American Federal Savings Association.

The Bank Board said today's action was taken to conserve the associations' assets. The nine newly chartered institutions did not assume any obligations to stockholders or subordinated debtholders of the insolvent thrifts.

The joint regulatory oversight teams headed up by the FDIC also include staff from the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, the Office of the Comptroller of the Currency and the Federal Reserve System.

As with the 244 institutions previously enrolled in the program, the teams will work to minimize operating losses, limit growth and ensure that operations are conducted in a safe and sound manner. As managing agent for the thrifts in the joint regulatory program, the FDIC works to conserve assets and preserve banking services to deposit and loan customers until Congress approves funding to structure a permanent resolution to the institutions' problems.

Statistics related to the savings and loan institutions involved in today's actions are shown in the following table.