



# NEWS RELEASE

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PR-182-89 (9-14-89)

## FDIC TRANSFERS INSURED DEPOSITS OF PRAIRIE STATE BANK, GRAND PRAIRIE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured and preferred deposits of Prairie State Bank, Grand Prairie, Texas, to Bedford National Bank, Bedford, Texas. The failed bank's sole office will reopen on Friday, September 15, 1989, as a branch of Bedford National Bank.

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

Prairie State Bank, with total assets of about \$16.9 million, was closed on September 14, 1989, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$16.5 million in 5,700 deposit accounts, including approximately \$167,000 in 8 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Friday, September 15, 1989. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

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 \$1,000 for the right to receive the transferred deposits. It also will purchase approximately \$5.9 million of the failed bank's assets and will have options to purchase loans and other assets. The FDIC will retain assets of the failed bank with a book value of \$11.0 million.

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