



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF FIRST SIERRA BANK, BISHOP, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation approved the transfer of insured deposits and fully secured or preferred deposits of the First Sierra Bank, Bishop, California, to Security Pacific National Bank, Los Angeles, California. The deposits of the failed bank's two offices will be transferred to the existing offices of Security Pacific National Bank in Bishop and Mammoth Lakes, California.

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

First Sierra Bank, with total assets of \$23.3 million, was closed on Friday, January 23, 1987, by California Superintendent of Banks Louis Carter and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$23.0 million in 4,400 deposit accounts including \$673,000 in 19 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors will share proportionately with the FDIC in the proceeds realized from the 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 immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new

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bank. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC.

The Board also voted to make a prompt advance payment to uninsured depositors, based on the estimated present value of assets to be liquidated, equal to 55 percent of the uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, uninsured depositors ultimately will receive additional payments on their claims. The estimate for the advance is believed to be conservative, and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 55 percent, the FDIC insurance fund will absorb the shortfall.

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