



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF UNITEDBANK-HOUSTON, 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 UnitedBank-Houston, Houston, Texas, to American Bank, Houston, Texas. The failed bank's five offices will not reopen; however, insured depositors will be able to obtain their funds at American Bank's existing office in Houston beginning Monday, May 4, 1987.

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

UnitedBank-Houston, with total assets of \$217.9 million, was closed on Thursday, April 30, 1987, by Kenneth W. Littlefield, Texas State Banking Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$161.1 million in 13,400 deposit accounts including approximately \$3.1 million in 470 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in 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 beginning May 4. 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

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weeks to discuss continuation of their banking relationship with the new 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 new bank is paying the FDIC a premium of \$200,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$90.4 million.

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