



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF FIRST NATIONAL BANK OF WILMONT, WILMONT, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of First National Bank of Wilmont, Wilmont, Minnesota, to Farmers State Bank of Mountain Lake, Mountain Lake, Minnesota. The failed bank's only office will reopen on Monday, June, 1, 1987, as a branch of Farmers State Bank of Mountain Lake.

The Board of Directors decided to arrange an insured deposit transfer because of an indeterminable amount of contingent liabilities in the closed bank.

First National Bank of Wilmont, with total assets of \$14.9 million, was closed on Friday, May 29, 1987, by Dean Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$11.6 million in 2,500 deposit accounts including approximately \$7,000 in four accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors 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 new bank is paying the FDIC a premium of \$151,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$10.0 million.

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