



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST STATE BANK, MILFORD, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of First State Bank, Milford, Texas, by Ellis County State Bank, Milford, Texas, a newly-chartered state nonmember bank.

The failed bank's only office will reopen on Friday, June 12, 1987, as Ellis County State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First State Bank, with total assets of about \$6.6 million, was closed on Thursday, June 11, 1987, by Kenneth W. Littlefield, Texas State Bank Commissioner, and the FDIC was named receiver.

Ellis County State Bank will assume about \$6.4 million in 1,400 deposit accounts and will purchase all of the failed bank's assets at a discount of \$1,451,000.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The Board made such a finding in this case. The transaction will result in a substantially lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Ellis County State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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