



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF BANK OF NORTH AMERICA, 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 Bank of North America, Houston, Texas, to Texas Commerce Bank, National Association, Houston, Texas.

The failed bank's office will not reopen. Insured deposits of the failed bank will be available to their owners on Friday, August 28, 1987, at Texas Commerce Bank-Southeast Branch, which is located at 7545 Bellfort, Houston, Texas. Checks drawn on the failed bank's insured accounts will continue to be honored.

The FDIC Board decided to arrange an insured deposit transfer because of an inability to determine potential losses of the failed bank.

The failed bank had total assets of \$33.3 million when it was closed on Thursday, August 27, 1987, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

At the time the bank was closed its deposits totalled about \$30.0 million in 5,135 deposit accounts including about \$512,000 in 60 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.

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. 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 Texas Commerce Bank, National Association, will be funded by an equivalent cash payment from the FDIC. The assuming bank is paying the FDIC a premium of \$351,000 for the right to receive the transferred deposits and will purchase other assets of the failed bank for \$6.0 million. Texas Commerce Bank, National Association, will have an option to purchase any of the assets retained by the FDIC. The exercise of this option is expected to reduce the FDIC's net cash outlay.

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