



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF STATE BANK OF GREENWALD, GREENWALD, 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 the State Bank of Greenwald, Greenwald, Minnesota, to Rural American Bank of Greenwald, Greenwald, Minnesota, a new, state-chartered bank. The failed bank's two offices will reopen on Monday, October 5, 1987, as Rural American Bank of Greenwald, subject to approval by the appropriate court.

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

State Bank of Greenwald, with total assets of \$18.7 million, was closed on Friday, October 2, 1987, by Michael A. Hatch, Minnesota Commissioner of Commerce, and the FDIC was named receiver.

At the time the bank closed its deposits totalled about \$18.9 million in 4,900 deposit accounts including about \$58,000 in 4 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.

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Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss 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 the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of \$103,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$11.7 million.

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