



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-50-88 (3-10-88)

FDIC TRANSFERS INSURED DEPOSITS OF HAYESVILLE SAVINGS BANK, HAYESVILLE, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of Hayesville Savings Bank, Hayesville, Iowa, to Farmers Savings Bank, Fremont, Iowa. The failed bank's two offices will not reopen. Customers of the failed bank may transact their business at Farmers Savings Bank in Fremont, beginning on Friday, March 11, 1988.

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

Hayesville Savings Bank, with total assets of \$37.2 million, was closed on Thursday, March 10, 1988, by Edward L. Tubbs, Iowa Superintendent of Banking, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$36.4 million in 8,600 deposit accounts including \$84,000 in 15 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 on Friday, March 11, 1988. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they

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should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC.

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