



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF COLONIAL THRIFT AND LOAN ASSOCIATION, CULVER CITY, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Colonial Thrift and Loan Association, Culver City, California, by Southern Pacific Thrift and Loan Association, Beverly Hills, California.

The failed institution's three offices will reopen on Monday, April 18, 1988, as branches of Southern Pacific Thrift and Loan Association and its depositors automatically will become depositors of the assuming institution, subject to approval by the appropriate court.

Colonial Thrift and Loan Association, with total assets of \$23.6 million, was closed on Friday, April 15, 1988, by the California Department of Corporations and the FDIC was named receiver.

Southern Pacific Thrift and Loan Association will assume about \$22.5 million in 1,600 deposit accounts and has agreed to pay the FDIC a purchase premium of \$100,000. It also will purchase certain of the failed institution's loans and other assets for \$17.8 million. To facilitate the transaction, the FDIC will advance about \$4.6 million to the assuming institution and will retain assets of the failed institution with a book value of about \$5.8 million.

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.

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The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming institution. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed institution.

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