



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-200-88 (11-3-88)

### FDIC TRANSFERS INSURED DEPOSITS OF SOUTHWEST NATIONAL BANK, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of Southwest National Bank, Houston, Texas, to Spring National Bank, Spring, Texas. The failed bank's Southwest Freeway branch will not reopen. Insured depositors will have access to their funds at the former main office of the failed bank on Friday, November 4, 1988.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to determine the value of the failed bank's assets.

Southwest National Bank, with total assets of about \$16.9 million, was closed on Thursday, November 3, 1988, by Judith A. Walter, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$16.5 million in 1,600 deposit accounts including approximately \$400,000 in 21 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, November 4, 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 should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

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Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$27,630 for the right to receive the transferred deposits. It will initially purchase \$2.7 million of the failed bank's assets and will have options to purchase loans and other assets.

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