



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC TO PAY OFF INSURED DEPOSITORS IN THE FIRST NATIONAL BANK OF CHANUTE, CHANUTE, KANSAS

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in The First National Bank of Chanute, Chanute, Kansas. The bank was closed on Thursday, June 19, 1986, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Mr. Herrmann said: "Over the past year the bank experienced substantial deterioration in the quality of its loan portfolio due to poor lending practices on the part of prior management and the depressed local agricultural and energy economy."

The FDIC Board of Directors determined that a payoff of insured depositors was required because no bids were received for the failed bank.

Deposits in The First National Bank of Chanute amounted to about \$44.9 million in 9,700 accounts. The FDIC estimates that all but about \$40,000 of the deposits, in 9 accounts, are within the federal insurance limit of \$100,000, or are otherwise secured. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from liquidation of the bank's assets.

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