



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-111-86 (7-17-86)

FDIC TO PAY OFF INSURED DEPOSITORS IN THE FIRST NATIONAL BANK OF SHERIDAN, SHERIDAN, WYOMING

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in The First National Bank of Sheridan, Sheridan, Wyoming. The bank, which had total assets of about \$65.9 million, was closed on Thursday, July 17, 1986, by Robert J. Herrmann, Deputy Comptroller of the Currency and the FDIC was named receiver.

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

Mr. Herrmann said: "Over the last two years, the bank's condition began to decline as a result of poor credit practices, weak oversight by the board of directors and bank management, coupled with a deteriorated economy. The bank was unable to remedy these problems and losses finally exhausted the bank's capital funds, resulting in its insolvency."

Deposits in The First National Bank of Sheridan amounted to about \$59.7 million in 11,300 accounts, including about \$2.5 million in 60 accounts that exceeded the federal insurance limit of \$100,000. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from liquidation of the bank's assets.

The Board also voted to make a prompt advance payment to uninsured depositors, based on the estimated present value of assets to be liquidated, equal to 50 percent of the uninsured claims.

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If actual collections on the assets, on a present value basis, exceed this estimate, uninsured depositors ultimately will receive additional payments on their claims. The estimate for the advance is believed to be conservative, and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 50 percent, the FDIC insurance fund will absorb the shortfall.

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