



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-119-86 (7-25-86)

FDIC APPROVES DEPOSIT ASSUMPTION OF MOUNTAIN VALLEY BANK, CONIFER, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Mountain Valley Bank, Conifer, Colorado, by Bank of Mountain Valley, National Association, a newly-chartered subsidiary of Mountain Parks Financial Corporation, Minneapolis, Minnesota.

In a separate transaction the Bank of Mountain Valley, National Association, acquired the insured deposits of The Bank of Park County, Bailey, Colorado, which also failed today. Both the Mountain Valley Bank and The Bank of Park County were owned by the Mountain Bancorporation, Inc., Conifer, Colorado.

Mountain Valley Bank's only office will reopen on Monday, July 28, 1986, as Bank of Mountain Valley, National Association, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Mountain Valley Bank, with total assets of \$7.7 million, was closed on Friday, July 25, 1986, by Colorado State Bank Commissioner Richard B. Doby and the FDIC was named receiver. Commissioner Doby said the two banks failed because of excessive loan losses and the inability to meet a deadline for the infusion of additional capital.

Bank of Mountain Valley, National Association, will assume about \$7.7 million in 3,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$10,175. It also will purchase certain of the failed bank's loans

-more-

and other assets for \$5.9 million. To facilitate the transaction, the FDIC will advance \$1.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$1.8 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. The Board made such a finding in this case because of the premium paid by Bank of Mountain Valley, National Association.

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

###