



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TO PAY OFF INSURED DEPOSITORS IN THE FIRST NATIONAL BANK IN RIFLE, RIFLE, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in The First National Bank in Rifle, Rifle, Colorado. The bank was closed on Thursday, August 21, 1986, by Dean S. Marriott, Senior 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 bids were received for a merger of the failed bank.

Mr. Marriott said: "The bank's failure was due to a deterioration of the local economy combined with poor lending practices. The shutdown of a large oil shale project in 1982 was followed by a sharp drop in real estate values in the area."

Deposits in The First National Bank in Rifle amounted to about \$17.1 million in 4,000 accounts, including about \$299,000 in 13 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 40 percent of the uninsured claims.

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 40 percent, the FDIC insurance fund will absorb the shortfall.

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