



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-144-86 (9-4-86)

### FDIC APPROVES DEPOSIT ASSUMPTION OF FAIRVIEW STATE BANK, FAIRVIEW, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Fairview State Bank, Fairview, Oklahoma, by Community National Bank of Okarche, Okarche, Oklahoma.

The failed bank's two offices will reopen on Friday, September 5, 1986, as branches of Community National Bank of Okarche and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Fairview State Bank, with total assets of \$24.2 million, was closed on Thursday, September 4, 1986, by Robert Y. Empie, Oklahoma Bank Commissioner, and the FDIC was named receiver. Mr. Empie said: "Management prior to 1983 engaged in unsafe and illegal practices to such an extent that current management has been unable to effect recovery."

Community National Bank of Okarche will assume about \$22.7 million in 4,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$28,528. It also will purchase certain of the failed bank's loans and other assets for \$9.6 million. To facilitate the transaction, the FDIC will advance \$13.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$14.6 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 Community National Bank of Okarche.

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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 nondepositor creditors and shareholders of the closed bank.

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