



# NEWS RELEASE

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## FDIC APPROVES DEPOSIT ASSUMPTION OF HERITAGE NATIONAL BANK, RICHARDSON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Heritage National Bank, Richardson, Texas, by Brookhollow National Bank, Richardson, Texas, a newly-chartered subsidiary of Brookhollow Bancshares, Inc., Dallas, Texas.

The failed bank's only office will reopen on Friday, September 26, 1986, as Brookhollow National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Heritage National Bank, with total assets of \$33.9 million, was closed on Thursday, September 25, 1986, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver. Mr. Herrmann said: "The bank's failure was primarily the result of inadequate supervision by the board of directors and speculative lending practices. Approximately 36% of the loan portfolio consisted of loans to insiders and their interests."

Brookhollow National Bank will assume about \$30.1 million in 3,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$290,000. It also will purchase certain of the failed bank's loans and other assets for \$16.2 million. To facilitate the transaction, the FDIC will advance \$13.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$17.7 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 Brookhollow National Bank.

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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 shareholders of the closed bank.