



# NEWS RELEASE

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## FDIC TRANSFERS INSURED DEPOSITS OF SEDGWICK COUNTY BANK, JULESBURG, COLORADO

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of the Sedgwick County Bank, Julesburg, Colorado, to The First National Bank of Julesburg, Julesburg, Colorado. Fully insured deposits of the failed bank will be available Friday, November 7, 1986, at the office of the assuming bank. Checks drawn on the failed bank's accounts will continue to be honored.

The Board of Directors was able to arrange an insured deposit transfer after no bids were received for a merger of the failed bank.

Sedgwick County Bank, with total assets of \$3.8 million, was closed on Wednesday, November 5, 1986, by Colorado State Bank Commissioner Richard B. Doby and the FDIC was named receiver. Mr. Doby said: "Sedgwick County Bank, an agricultural bank, suffered substantial losses from loan participations with two other banks that failed in recent years. These losses, coupled with the downturn in the agricultural economy, caused the bank to fail."

At the time the bank closed, its deposits totalled about \$3.7 million in 900 deposit accounts including only \$500 in one account that exceeded the federal insurance limit of \$100,000.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new bank. From the standpoint of customer convenience and service, it would be

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preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of \$2,500 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for about \$1 million.

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