



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC TO PAY OFF DEPOSITORS IN THE PEOPLES NATIONAL BANK AND TRUST COMPANY, ALBIA, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in The Peoples National Bank and Trust Company, Albia, Iowa.

The bank, which had total assets of \$50.0 million, was closed on Thursday, February 6, 1986, by John Downey, Chief National Bank Examiner, Office of the Comptroller of the Currency, and the FDIC was named receiver.

Deposits in The Peoples National Bank and Trust Company amounted to about \$46.2 million in 11,700 accounts. The FDIC estimates that all but about \$496,000 of the deposits, in 23 accounts, are within the federal insurance limit of \$100,000, or are otherwise secured. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from liquidation of the bank's assets.

The FDIC Board of Directors determined that a payoff of insured depositors was required because no bids were received for the failed bank.

The Board also voted to make a prompt advance payment to uninsured depositors and other general creditors, based on the estimated present value of assets to be liquidated, equal to 55 percent of the uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, additional payments will be made 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 55 percent, the FDIC insurance fund will absorb the shortfall.

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