



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF FARMERS AND MERCHANTS  
STATE BANK OF LAMBERTON, LAMBERTON, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of Farmers and Merchants State Bank of Lambertton, Lambertton, Minnesota, to American Bank of Mankato, Mankato, Minnesota. The failed bank's one office will reopen on Monday, March 17, 1986, as a branch of American Bank of Mankato.

Farmers and Merchants State Bank of Lambertton, which had total assets of \$16.2 million, was closed on Friday, March 14, 1986, by Michael Hatch, Minnesota Commissioner of Commerce, and the FDIC was named receiver.

At the time the bank closed, its deposits amounted to about \$15.2 million in 3,500 deposit accounts. All accounts were within the federal insurance limit of \$100,000.

Deposits in the failed bank will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

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 relationships. From the standpoint of customer convenience and service, it would be 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 \$61,986 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$9.5 million.

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