



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TO PAY OFF INSURED DEPOSITORS IN THE FIRST NATIONAL BANK OF CARTER, CARTER, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in The First National Bank of Carter, Carter, Oklahoma. The bank, which had total assets of \$7.3 million, was closed on Thursday, May 1, 1986, by Robert J. Herrmann, Deputy Comptroller of the Currency, and the FDIC was named receiver.

Mr. Herrmann said: "Poor lending practices and management's inadequate supervision of the bank's affairs led to a substantial deterioration in the quality of the loan portfolio. The bank was unable to reverse this deterioration and losses finally exhausted the bank's capital funds, resulting in its insolvency."

Deposits in The First National Bank of Carter amounted to about \$6.5 million in 1,300 accounts. The FDIC estimates that all but about \$74,000 of the deposits, in eight 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, based on the estimated present value of assets to be liquidated, equal to 60 percent of the uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, uninsured depositors ultimately will receive additional payments on their claims. The estimate for the advance is believed to be conservative,

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and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 60 percent, the FDIC insurance fund will absorb the shortfall.

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