



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-28-85 (3-11-85)

FDIC LISTS BROKERED DEPOSITS IN FAILED WEST VALLEY BANK, WOODLAND HILLS, CALIFORNIA

The Federal Deposit Insurance Corporation today identified financial institutions that placed funds in the West Valley Bank, Woodland Hills, California, through deposit brokers. The bank was declared insolvent and closed on February 8, 1985, by California Superintendent of Banks Louis Carter.

At the time West Valley Bank failed, \$17.6 million of its \$33.1 million in deposits consisted of funds placed by eleven brokers on behalf of depositors in 34 states. Brokered funds were placed with the bank by the following financial institutions:

CREDIT UNIONS

Agriculture Federal Credit Union
Alexandria, Virginia

Alliance Federal Credit Union
San Jose, California

Amarillo Pantex Federal Credit Union
Amarillo, Texas

American First Federal Credit Union
Brea, California

Anaheim Area Credit Union
Anaheim, California

Cabrini Credit Union
Allen Park, Michigan

Carolinas Telephone Company
Federal Credit Union
Charlotte, North Carolina

Cea West Federal Credit Union
Oakland, California

Centinela South Bay Credit Union
Redondo Beach, California

Chessie Employee Federal
Credit Union
Cumberland, Maryland

Continental Credit Union
Milwaukee, Wisconsin

Copoco Credit Union
Bay City, Michigan

Detroit Edison Credit Union
Detroit, Michigan

East Central Upper Peninsula
Employees Credit Union
Newberry, Michigan

Education Employees of Ft. Worth
Credit Union
Fort Worth, Texas

- more -

CREDIT UNIONS Cont.

First Community Credit Union
St. Louis, Missouri

Forest Products Federal Credit Union
Klamath Falls, Oregon

Fort Knox Federal Credit Union
Fort Knox, Kentucky

Grand Rapids Teachers Credit Union
Grand Rapids, Michigan

Gulf Chemical Employees Credit Union
Groves, Texas

Gulf Chemical Employees Credit Union
Pittsburg, Kansas

Hawaii State Employees Federal
Credit Union
Honolulu, Hawaii

Highland Community Federal Credit
Union
Klamath Falls, Oregon

Honolulu Federal Credit Union
Honolulu, Hawaii

Indiana Telephone Company Federal
Credit Union
Indianapolis, Indiana

Kaiser Permanent Federal Credit Union
Los Angeles, California

Kalsee Credit Union
Kalamazoo, Michigan

Marine Corps West Federal Credit Union
Camp Pendleton, California

Orco State ESCU
Santa Ana, California

Oregon Central Credit Union
Portland, Oregon

ORNL Employees Federal Credit Union
Oak Ridge, Tennessee

Pontiac Telephone Credit Union
Pontiac, Michigan

Public Service Employees Credit Union
Denver, Colorado

Royal Credit Union
Eau Claire, Wisconsin

Salt River Project Federal Credit Union
Phoenix, Arizona

State Employee Credit Union
Lansing, Michigan

Streamliner Federal Credit Union
Omaha, Nebraska

Steel Workers Federal Credit Union
Kansas City, Missouri

Telephone Employees of San Diego
Credit Union
San Diego, California

TRI-CO Federal Credit Union
Convent Station, New Jersey

Tropical Telco Federal Credit Union
Miami, Florida

Ukrainian Self Reliance Federal
Credit Union
Warren, Michigan

United Bay City Credit Union
Bay City, Michigan

University Student Federal Credit Union
Chicago, Illinois

Valley Credit Union
Billings, Montana

Warren School Credit Union
Center Line, Michigan

Wausau Insurance Employee Credit Union
Wausau, Wisconsin

White Sand Federal Credit Union
Las Cruces, New Mexico

SAVINGS & LOAN ASSOCIATIONS

Abraham Lincoln Federal Savings
and Loan
Dresher, Pennsylvania

Advanced Savings & Loan
Encino, California

Anchor Savings & Loan
St. Petersburg, Florida

Apollo Savings and Loan Association
Cincinnati, Ohio

Big Horn Savings & Loan
Greybull, Wyoming

Brownfield Savings and Loan Association
Brownfield, Texas

Burlson County Savings
Association
Caldwell, Texas

Central Savings and Loan
Cicero, Illinois

Cheltenham Federal Savings and Loan
Philadelphia, Pennsylvania

Chester Savings and Loan
Chester, Illinois

Citizens Federal Savings and Loan
Jacksonville, Florida

Clay County Savings and Loan
Liberty, Missouri

Collective Federal Savings and Loan
Egg Harbor, New Jersey

Columbia Savings Association
Emporia, Kansas

Crusaders Savings and Loan
Rosemont, Pennsylvania

Eastern Savings & Loan Association
Timonium, Maryland

Empire Federal Savings and Loan
Livingston, Montana

Equitable Federal Savings & Loan
Fremont, Nebraska

Fidelity Savings and Loan
Great Falls, Montana

First Federal Savings and Loan
Sheridan, Wyoming

First Federal Savings and Loan
Waterbury, Connecticut

First Federal Savings and Loan of Brainerd
Brainerd, Minnesota

First Federal Savings and Loan of
Clark County
Clarksville, Indiana

First Federal Savings and Loan of
Lewiston
Lewiston, Idaho

First Mutual Savings Association
of Florida
Pensacola, Florida

First Southern Savings and Loan
Asheboro, North Carolina

Franklin Savings and Loan
Ottawa, Kansas

Greater New Orleans Homestead Savings
and Loan
Metairie, Louisiana

Hamilton Savings & Loan Association
San Francisco, California

Home Federal Savings and Loan
Fort Collins, Colorado

Home Federal Savings and Loan of Iowa
Spencer, Iowa

Home Unity Savings and Loan
Lafayette Hill, Pennsylvania

SAVINGS & LOAN ASSOCIATIONS Cont. - 4 -

Inland Savings and Loan
Hemet, California

Malibu Savings and Loan
Fountain Valley, California

Marquette Savings Association
Erie, Pennsylvania

Merit Savings Association
Cincinnati, Ohio

Mid-America Federal Savings and Loan
Tulsa, Oklahoma

New London Federal Savings and Loan
New London, Connecticut

Newport Balboa Savings
Newport Beach, California

New Orleans Federal Savings and Loan
New Orleans, Louisiana

North America Savings Association
Grandview, Missouri

Northeastern Federal Association
South Hampton, Pennsylvania

North Plains Savings and Loan
Dumas, Texas

Nutmeg Federal Savings and Loan
Danbury, Connecticut

Old Borough Savings and Loan
Trenton, New Jersey

Railroad Savings and Loan
Newton, Kansas

San Clemente Savings and Loan
San Clemente, California

Santa Paula Savings and Loan
Ventura, California

Security Federal Savings and Loan
Panama City, Florida

Sentinel Savings and Loan
Sonora, California

Trumbull Savings and Loan
Warren, Ohio

Topa Thrift & Loan Association
Beverly Hills, California

United Federal Savings & Loan
Aberdeen, South Dakota

Yorkwood Savings and Loan Association
Maplewood, New Jersey

COMMERCIAL & SAVINGS BANKS

Alvarado Bank
Richmond, California

American Asian Bank
San Francisco, California

American State Bank
Killdeer, North Dakota

American State Bank of Dickinson
Dickinson, North Dakota

Bank of Cairo and Moberly
Moberly, Missouri

Bank of Coronado
Coronado, California

Bank of Hamilton
Hamilton, North Dakota

Bank of Pacific
Long Beach, Washington

Bank of Poulsbo
Poulsbo, Washington

Bank of Ravenswood
Chicago, Illinois

Bristol Federal Savings Bank
Bristol, Connecticut

Burbank State Bank
Burbank, Illinois

Capital Bank of Commerce
Sacramento, California

Century Bank
San Francisco, California

Citizens & Builders Federal Savings Bank
Pensacola, Florida

Citizens National Bank
Cameron, Texas

Colonial National Bank
Wilmington, Delaware

Commercial State Bank
Two Harbor, Minnesota

Crocker National Bank-Trust Deed
Flow General Retirement Plan
San Francisco, California

Douglas National Bank
Roseberg, Oregon

First Bank of Greater Pittston
Pittston, Pennsylvania

First Bank of San Luis Obispo
San Luis Obispo, California

First National Bank of Hoffman
Hoffman Estates, Illinois

First National Bank of Oaks
Oaks, North Dakota

First Savings Bank of Florida
Tarpon Springs, Florida

Greensfork Township State Bank
Lynn, Indiana

Lincoln Mutual Savings Bank
Carnegie, Pennsylvania

McGehee Bank
McGehee, Arkansas

Mineral King National Bank
Visalia, California

Mountain Ridge State Bank
West Orange, New Jersey

Saratoga National Bank
Saratoga, California

Security State Bank
New Salem, North Dakota

Banco Del Pacifico International
Miami, Florida

State Bank of India
Los Angeles, California

Southwest National Bank of Lafayette
Lafayette, Louisiana

Society for Savings
Hartford, Connecticut

Summit Bank
Oakland, California

The Columbia County Farmers National Bank
Orangeville, Pennsylvania

Transohio Savings Bank
Cleveland, Ohio

Union Bank
Nanuet, New York

United Mercantile Bank
Pasadena, California

United National Bank
Callicoon, New York

Washita State Bank
Burns Flat, Oklahoma

OTHERS

Frontier Finance
Belleville, Illinois

Moletor Building & Loan
Cincinnati, Ohio

North West Financial Corporation
Walla Walla, Washington

Pacific Union Association of the
7th Day Adventist Revolving Fund
Westlake Village, California

Tappan Zee Capital Corporation
Little Falls, New Jersey

Transohio Financial Corporation
Cleveland, Ohio

The FDIC continues to be concerned about deposit brokers that place funds in banks solely on the basis of the rate of interest paid, without regard to the condition of the institutions involved. A major source of these funds is other financial institutions such as credit unions, banks and savings and loan associations.

Banks paying above market rates of interest often are experiencing serious problems. When such banks receive large amounts of brokered funds and subsequently fail, the cost to the deposit insurance fund is substantially and unjustifiably increased.

Latest data available indicate that banks rated 3, 4 and 5 on the uniform bank rating system hold more than \$9.3 billion of the \$24.2 billion in brokered deposits in the banking system. (Banks rated 3 are considered "marginal" institutions, while those rated 4 and 5 are on the FDIC's formal "problem bank" list.)

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