



# NEWS RELEASE

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## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF BANK OF HUNTER, HUNTER, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Bank of Hunter, Hunter, Oklahoma, have been assumed by First National Bank in Tonkawa, Tonkawa, Oklahoma. The failed bank's sole office will reopen on Friday, April 5, 1985, as a branch of First National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Hunter was closed on Thursday, April 4, 1985, by Oklahoma Bank Commissioner Robert Y. Empie and the FDIC was named receiver. Mr. Empie said: "Capital funds of the bank were depleted to the point of insolvency as a result of hazardous lending practices and general ineptitude of management and ownership."

In addition to assuming about \$2.7 million in 500 deposit accounts, First National Bank has agreed to pay the FDIC a purchase premium of \$100,000. The assuming bank will purchase the failed bank's installment and real estate loans and certain other assets for \$1.2 million. To facilitate the transaction, the FDIC will advance cash amounting to \$1.5 million and will retain assets of the failed bank with a book value of about \$1.6 million.

The FDIC approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss

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to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by First National Bank.

The FDIC expects to recover a substantial portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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