



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC DECIDES TO PAY OFF DEPOSITORS IN SCROGGIN AND COMPANY BANK, OAK, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that it is preparing to pay off insured depositors in the Scroggin and Company Bank, Oak, Nebraska. The bank was closed on Friday, May 31, 1985, by Roger M. Beverage, Nebraska Director of Banking and Finance and the FDIC was named receiver.

Mr. Beverage attributed the bank's failure to losses in the agricultural loan portfolio.

Deposits in the Scroggin and Company Bank amounted to about \$2.8 million in 710 accounts. The FDIC estimates that all but about \$104,000 of the deposits in two 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 the 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 Monday to uninsured depositors, based on the estimated present value of assets to be liquidated, equal to 50 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

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conservative, and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 50 percent, the FDIC insurance fund will absorb the shortfall.

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