



NEWS RELEASE

R 19702

FOR IMMEDIATE RELEASE

PR-99-85 (7-11-85)

FDIC DETERMINES THAT DEPOSITS PLACED AT GOLDEN PACIFIC'S
DOMESTIC LOAN PRODUCTION OFFICES ARE INSURED

The Federal Deposit Insurance Corporation has determined that deposits improperly accepted by the failed Golden Pacific National Bank at loan production offices in five U.S. cities are eligible for deposit insurance coverage.

Golden Pacific, located in New York City's Chinatown district, was closed on June 21, 1985, by the Comptroller of the Currency. On June 26, the FDIC approved the transfer of approximately \$117 million of insured deposits to the Hongkong and Shanghai Banking Corporation.

At the time of the deposit transfer, the FDIC could not immediately determine the insurance status of approximately \$16 million in demand deposit accounts, money market deposit accounts and certificates of deposit accepted at the bank's loan production offices in Houston, Chicago, Boston and San Mateo and Monterey Park in California. By law, such offices are not authorized to accept or disburse funds, but may only process documentation in connection with loan transactions.

After an investigation the FDIC concluded that, while improperly accepted at the loan production offices, these funds were clearly identified and entered on the books of the bank as deposits. Accordingly, while the bank was prohibited by law from accepting deposits in its domestic loan production offices, the FDIC has decided that, in the unusual circumstances of this case, the bank's illegal activities would not affect the deposit status of funds

-more-

received at the bank's offices from customers who had not knowingly participated in those illegal activities. No determination has been made regarding the insurability of funds received by the failed bank through overseas loan production offices, or funds received at any of the bank's offices that were not entered on the books of the bank as deposits.

The estimated dollar volumes of deposits at each domestic office affected by today's determination are:

San Mateo	\$1.6 million
Houston	5.6 million
Chicago	2.6 million
Boston	1.3 million
Monterey Park	5.1 million

The FDIC will provide information within a few days to all account holders on how their insured funds will be made available to them. Another category of funds, consisting of about \$17 million of unbooked certificates, is still under investigation. Case-by-case decisions on deposit insurance coverage of these certificates could begin later this month.

In a related matter, it has been reported in the press that the FDIC is requiring claimants to submit their "green cards" in conjunction with their proof of claim forms. Those reports are false. As in all such situations, the FDIC requires two satisfactory forms of identification for claimants. The green card held by a claimant who is not a citizen of the United States is one satisfactory form of identification but is not mandatory.

###