



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-108-85 (7-19-85)

FDIC ANNOUNCES DEPOSIT ASSUMPTION OF LINN COUNTY STATE BANK, LINNEUS, MISSOURI

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Linn County State Bank, Linneus, Missouri, have been assumed by United Missouri Bank of Linn County, Linneus, Missouri, a newly-chartered state bank. The failed bank's two offices will reopen on Saturday, July 20, 1985, as United Missouri Bank of Linn County and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Linn County State Bank was closed on Friday, July 19, 1985, by Missouri Commissioner of Finance Thomas B. Fitzsimmons and the FDIC was named receiver. Mr. Fitzsimmons said: "Although the bank's current loan problems are not agriculture-related, the bank has suffered agricultural loan losses since 1983 which, along with poor management decisions and mounting operating losses, inhibited the ability of the bank to recapitalize or to find a new owner."

United Missouri Bank of Linn County will assume about \$5.1 million in 5,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$21,000. It also will purchase certain of the failed bank's loans and other assets for \$2.8 million. To facilitate the transaction, the FDIC will advance \$2.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.2 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The Board made such a finding in this case because of the premium paid by United Missouri Bank of Linn County.

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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 shareholders of the closed bank.

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