



# NEWS RELEASE

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## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF MINEOLA STATE BANK, MINEOLA, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Mineola State Bank, Mineola, Iowa, have been assumed by Glenwood State Bank, Glenwood, Iowa. The failed bank's sole office will reopen on Wednesday, August 7, 1985, as Glenwood State Bank, Mineola Office, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Mineola State Bank was closed on Tuesday, August 6, 1985, by Thomas H. Huston, Iowa Superintendent of Banking, and the FDIC was named receiver.

Glenwood State Bank will assume about \$4.8 million in 4,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$101,110. It also will purchase certain of the failed bank's loans and other assets for \$4.1 million. To facilitate the transaction, the FDIC will advance \$706,000 to the assuming bank and will retain assets of the failed bank with a book value of about \$1.0 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 Glenwood State 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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