



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC DECIDES TO PAY OFF DEPOSITORS IN ELBA STATE BANK, ELBA, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that it is preparing to pay off insured depositors in Elba State Bank, Elba, Nebraska. The bank was closed on Wednesday, September 18, 1985, by Roger Hirsch, Acting Director of the Nebraska Department of Banking and Finance and the FDIC was named receiver.

Mr. Hirsch said: "In prior years, the bank had engaged in liberal lending practices and made loans to individuals who were overextended. Due to the inability of borrowers to service their debts in the face of a deteriorating agricultural economy, losses nearly depleted the bank's capital accounts."

Deposits in Elba State Bank amounted to about \$3.6 million in 1,200 accounts. The FDIC estimates that all but about \$350 of the deposits, in one account, 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 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.

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