



NEWS RELEASE

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FDIC DECIDES TO PAY OFF DEPOSITORS IN YELLOWSTONE STATE BANK-LANDER, LANDER, WYOMING

The Board of Directors of the Federal Deposit Insurance Corporation today announced that it is preparing to pay off insured depositors in the Yellowstone State Bank-Lander, Lander, Wyoming.

The bank was closed on Friday, November 1, 1985, by Stanley R. Hunt, Wyoming State Examiner, and the FDIC was named receiver.

Mr. Hunt said: "The bank's equity capital was dissipated by severe loan losses caused by depressed conditions in the community. Insider transactions and poor lending practices resulted in its insolvency."

Deposits in Yellowstone State Bank-Lander amounted to about \$19.2 million in 3,200 accounts. The FDIC estimates that all but about \$335,000 of the deposits, in 13 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 liquidation of the bank's assets.

The FDIC Board of Directors determined that a payoff of insured depositors was required because no acceptable bids were received for the failed bank.

The Board also voted to make a prompt advance payment to uninsured depositors, based on the estimated present value of assets to be liquidated, equal to 45 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

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payments on their claims. The estimate for the advance is believed to be conservative, and it is hoped that actual collections will be higher. If, however, the present value of actual collections should be less than 45 percent, the FDIC insurance fund will absorb the shortfall.

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