



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-180-85 (11-15-85)

FDIC TO PAY OFF DEPOSITORS IN FIRST NATIONAL BANK OF TEAGUE, TEAGUE, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in the First National Bank of Teague, Teague, Texas.

The bank was closed on Thursday, November 14, 1985, by Michael Patriarca, Deputy Comptroller of the Currency, and the FDIC was named receiver.

Deposits in the First National Bank of Teague amounted to \$26.3 million in 5,400 deposit accounts. The FDIC estimates that all but about \$465,000 of the deposits, in 40 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 bids were received for the failed bank.

The Board also voted to make a prompt advance payment to uninsured depositors and other creditors 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 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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