



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TO PAY OFF DEPOSITORS IN FARMERS AND MERCHANTS BANK, COMSTOCK, NEBRASKA

The Board of Directors of the Federal Deposit Insurance Corporation today approved paying off insured depositors in the Farmers and Merchants Bank, Comstock, Nebraska. The bank was closed on Thursday, December 19, 1985, by James C. Barbee, Nebraska Director of Banking and Finance, and the FDIC was named receiver.

Mr. Barbee said: "The bank failed as a result of management's liberal lending policies and collection practices in prior years, which were compounded by a depressed local farm economy."

Deposits in Farmers and Merchants Bank amounted to about \$3.2 million in 791 accounts. The FDIC estimates that all but about \$358 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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