



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC ANNOUNCES DEPOSIT ASSUMPTION OF TUCKER COUNTY BANK,
PARSONS, WEST VIRGINIA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of Tucker County Bank, Parsons, West Virginia, have been assumed by Citizens National Bank of Elkins, Elkins, West Virginia. The failed bank's sole office will reopen on Monday, February 6, 1984, as a branch of Citizens National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Tucker County Bank was closed on February 3, 1984, by Thomas Hansberry, West Virginia Acting Commissioner of Banking, and the FDIC was named receiver. Mr. Hansberry said: "The Tucker County Bank has experienced large and unusual loan losses and operating losses that precipitated a declaration of insolvency."

The deposit assumption was made possible with assistance from the FDIC and avoids the necessity for a payoff of the 4,900 accounts in the failed bank. It also prevents possible financial loss to the owners of deposits that exceed the statutory insurance limit of \$100,000.

In addition to assuming about \$15.7 million in deposits and other liabilities, including \$3.6 million (or nearly 25 percent) in deposits acquired from a deposit broker, Citizens National has agreed to pay the FDIC a purchase premium of \$951,000. The assuming bank will purchase the failed bank's installment loans and certain other assets. To facilitate the

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transaction, the FDIC will advance cash amounting to \$7.6 million to the assuming bank and will retain assets of the failed bank with a book value of approximately \$9.3 million. The FDIC approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the Corporation. The Board of Directors made such a finding in this case because of the premium paid by Citizens National. 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 the shareholders of the closed bank.

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