



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF UNITED OF AMERICA BANK,
CHICAGO, ILLINOIS, TO MID-CITY NATIONAL BANK OF CHICAGO, CHICAGO, ILLINOIS

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of both insured and secured deposits of United of America Bank, Chicago, Illinois, to Mid-City National Bank of Chicago, Chicago, Illinois. United of America's sole office will reopen on Monday, April 30, as a facility of Mid-City National Bank.

Deposits in United of America Bank, up to the statutory insurance limit of \$100,000, will be immediately available to their owners. Checks drawn on United of America accounts will continue to be honored, and customers who had interest-bearing accounts in United of America will continue to earn interest on such deposits.

Even though United of America Bank depositors can automatically continue to conduct their banking transactions with Mid-City National Bank, they are encouraged to visit the bank during the next 30 days to discuss the continuation of their banking relationship with Mid-City National Bank.

United of America Bank was closed on April 26, 1984, by Illinois Commissioner of Banks and Trust Companies William C. Harris and the FDIC was named receiver. Mr. Harris attributed the failure to excessive loan losses.

Insured deposits in United of America Bank amounted to \$29.0 million in 8,600 accounts. Mid-City National's administration of the deposits transferred to it will be funded by an equivalent cash payment from the FDIC. Mid-City National is paying the FDIC a premium of \$1,652,750 for the right to receive the transferred deposits. Mid-City National will purchase United of America's installment loans and certain other assets totalling \$12.4 million.

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United of America Bank held approximately \$2.0 million in deposits in 34 accounts that exceeded the \$100,000 insurance limit and were not secured. Owners of these deposits will share proportionately with the FDIC and any other uninsured general creditors in the proceeds realized from liquidation of the bank's assets. The FDIC Board announced that the FDIC will make a prompt advance payment early next week to uninsured depositors and general creditors, based on the estimated present value of assets to be liquidated, equal to 60 percent of their uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, uninsured creditors 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 60 percent, the FDIC insurance fund will absorb the shortfall.

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