



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-98-84 (8-10-84)

## FDIC ANNOUNCES DEPOSIT ASSUMPTION OF THE TINGLEY STATE SAVINGS BANK, MOUNT AYR, IOWA

The Board of Directors of the Federal Deposit Insurance Corporation today announced that the deposit liabilities of The Tingley State Savings Bank, Mount Ayr, Iowa, have been assumed by Hawkeye Bank and Trust, Mount Ayr, Iowa, a subsidiary of Hawkeye Bancorporation, Des Moines, Iowa. The failed bank's two offices will reopen on Monday, August 13, 1984, as branches of Hawkeye Bank and Trust, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Tingley State Savings Bank was closed on August 10, 1984, by Thomas H. Huston, Iowa Superintendent of Banking, and the FDIC was named receiver. Mr. Huston said: "The bank failed because of excessive loan losses and the inability to recapitalize."

In addition to assuming about \$18 million in 4,100 deposit accounts, Hawkeye Bank and Trust has agreed to pay the FDIC a purchase premium of \$275,000. The assuming bank will purchase the failed bank's installment loans and certain other assets. To facilitate the transaction, the FDIC will advance cash amounting to \$12.4 million and will retain assets of the failed bank with a book value of approximately \$13.5 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 Hawkeye Bank and Trust.

-more-

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 non-depositor creditors and shareholders of the closed bank.

\*\*\*