



# NEWS RELEASE

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## FDIC PAYS OFF DEPOSITORS IN SPARTA-SANDERS STATE BANK, SPARTA, KENTUCKY

The Federal Deposit Insurance Corporation today began paying insured depositors in the Sparta-Sanders State Bank, Sparta, Kentucky. The bank was closed on April 15, 1983, by Neil J. Welch, Acting Commissioner of Banking and Securities for the State of Kentucky.

Mr. Welch said the bank became insolvent because of "unsound banking practices."

Deposits in the Sparta-Sanders State Bank totalled about \$17.8 million in 1,340 accounts. The FDIC estimates that all but \$160,000 of the bank's deposits are within the federal insurance limit of \$100,000 or are otherwise secured.

The FDIC Board of Directors decided to pay off depositors after determining that it was impractical to arrange a deposit assumption with another bank.

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