



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

December 18, 2009

Media Contact:
LaJuan Williams-Dickerson
(202) 898-3876
lwilliams-dickerson@fdic.gov

FDIC Creates a Deposit Insurance National Bank to Facilitate the Resolution of Citizens State Bank, New Baltimore, Michigan The Huntington National Bank to Provide Temporary Operational Management

FOR IMMEDIATE RELEASE

Citizens State Bank, New Baltimore, Michigan, was closed today by the Michigan Office of Financial and Insurance Regulation, which then appointed Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC created the Deposit Insurance National Bank of New Baltimore (DINB), which will remain open for approximately 45 days to allow depositors access to their insured deposits and time to open accounts at other insured institutions.

At the time of closing, the receiver immediately transferred to the DINB all insured savings, checking, and secured public units of Citizens State Bank. Certificates of deposit (CDs) and Individual Retirement Accounts (IRAs) were not transferred over to the DINB. The FDIC will mail checks directly to deposit customers who had CDs and IRAs with Citizens State Bank.

The Huntington National Bank, Columbus, Ohio, will provide operational management of the DINB under a contract with the FDIC. The main office and all branches of Citizens State Bank will open on Saturday, December 19, 2009. Banking activities, such as direct deposit and writing checks, ATM and debit cards, can continue normally for former customers of Citizens State Bank during the 45-day transition period. It is also important to note that Citizens State Bank official checks will continue to clear and will be issued to customers closing accounts.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-235-2009

All insured depositors of Citizens State Bank are encouraged to transfer their insured funds to other banks. They may do so by asking their new bank to electronically transfer their deposits from the DINB or by writing checks for the amount in their accounts.

Under the FDI Act, the FDIC may create a deposit insurance national bank to ensure that depositors have continued access to their insured funds where no other bank has agreed to assume the insured deposits. The DINB allows for uninterrupted direct deposits and automated payments from customers' accounts for customers with checking and NOW accounts and allows them time to find another institution with which to do business.

As of September 30, 2009, Citizens State Bank had \$168.6 million in total assets and \$157.1 million in total deposits. At the time of closing, deposits of approximately \$803,000 potentially exceeded the insurance limits. Uninsured deposits were not transferred to the DINB. This estimate is likely to change once the FDIC obtains additional information from these customers.

Customers with accounts in excess of \$250,000 should contact the FDIC toll-free at 1-800-350-2746 to set up an appointment to discuss their deposits. This phone number will be operational this evening until 9 p.m., Eastern Standard Time (EST); on Saturday from 9 a.m. to 6 p.m., EST; on Sunday from noon to 6 p.m., EST; and thereafter from 8 a.m. to 8 p.m., EST. Due to the Christmas Holiday, the toll-free number will not be operational between the hours of 3 p.m., Thursday, December 24, and 8:00 a.m., Monday, December 28. At that time the toll-free number will resume its normal hours.

Customers who would like more information on today's transaction should visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/citizensstate-mi.html>.

Beginning Monday, December 21, 2009, depositors of Citizens State Bank with more than \$250,000 at the bank may visit the FDIC's Web page "Is My Account Fully Insured?" at <http://www2.fdic.gov/dip/Index.asp> to determine their insurance coverage.

The FDIC as receiver will retain all the assets from Citizens State Bank for later disposition. Loan customers should continue to make their payments as usual.

The cost to the FDIC's Deposit Insurance Fund is estimated to be \$76.6 million. Citizens State Bank is the 136th bank to fail this year and the fourth in Michigan. The last FDIC-insured institution closed in the state was Home Federal Savings Bank, Detroit, on November 6, 2009.

###

Last Updated 12/18/2009

communications@fdic.gov
