



# PRESS RELEASE

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

FOR IMMEDIATE RELEASE  
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## **The Harvard State Bank, Harvard, Illinois, Assumes All of the Deposits of Rock River Bank, Oregon, Illinois**

Rock River Bank, Oregon, Illinois, was closed today by the Illinois Department of Financial and Professional Regulation, Division of Banking, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with The Harvard State Bank, Harvard, Illinois, to assume all of the deposits of Rock River Bank.

The four offices of Rock River Bank will reopen on Monday as branches of The Harvard State Bank. Depositors of Rock River Bank will automatically become depositors of The Harvard State Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branches until The Harvard State Bank can fully integrate the deposit records of Rock River Bank.

Over the weekend, depositors of Rock River Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of April 30, 2009, Rock River Bank had total assets of \$77 million and total deposits of approximately \$75.8 million. The Harvard State Bank paid a premium of 2.0 percent to acquire all of the deposits of the failed bank. In addition to assuming all of the deposits of the failed bank, The Harvard State Bank agreed to purchase approximately \$72.9 million of assets. The FDIC will retain the remaining assets for later disposition.



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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-115-2009

The FDIC and The Harvard State Bank entered into a loss-share transaction on approximately \$51.3 million of Rock River Bank's assets. The Harvard State Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-sharing arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-591-2903. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Friday and Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; and thereafter from 8:00 a.m. to 8:00 p.m., CDT. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/rockriver.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$27.6 million. The Harvard State Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. Rock River Bank is the 48th FDIC-insured institution to fail in the nation this year, and the ninth in Illinois. The last FDIC-insured institution to be closed in the state was The First State Bank of Winchester, earlier today.

The six failed Illinois banks are all controlled by one family and followed a similar business model that created concentrated exposure in each institution. The failure of these banks resulted primarily from losses related to the banks' investment in collateralized debt obligations and other loan losses.

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