



# PRESS RELEASE

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

**FOR IMMEDIATE RELEASE**  
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## **Community Development Bank, FSB, Ogema, Minnesota, Assumes All of the Deposits of 1<sup>st</sup> American State Bank of Minnesota, Hancock, Minnesota**

1<sup>st</sup> American State Bank of Minnesota, Hancock, Minnesota was closed today by the Minnesota Department of Commerce, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Community Development Bank, FSB, Ogema, Minnesota, to assume all of the deposits of 1<sup>st</sup> American State Bank of Minnesota.

The two branches of 1<sup>st</sup> American State Bank of Minnesota will reopen on Monday as branches of Community Development Bank, FSB. Depositors of 1<sup>st</sup> American State Bank of Minnesota will automatically become depositors of Community Development Bank, FSB. 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 the former 1<sup>st</sup> American State Bank of Minnesota branches until they receive notice from Community Development Bank, FSB that it has completed systems changes to allow other Community Development Bank, FSB branches to process their accounts as well.

This evening and over the weekend, depositors of 1<sup>st</sup> American State Bank of Minnesota 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 December 31, 2009, 1<sup>st</sup> American State Bank of Minnesota had approximately \$18.2 million in total assets and \$16.3 million in total deposits. Community Development Bank, FSB did not pay the FDIC a premium to assume all of the deposits of 1<sup>st</sup> American



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-30-2010**

State Bank of Minnesota. In addition to assuming all of the deposits, Community Development Bank, FSB agreed to purchase essentially all of the failed bank's assets.

The FDIC and Community Development Bank, FSB entered into a loss-share transaction on \$11.7 million of 1<sup>st</sup> American State Bank of Minnesota's assets. Community Development Bank, FSB will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-523-8159. The phone number will be operational this evening until 9:00 p.m., Central Standard Time (CST); on Saturday from 9:00 a.m. to 6:00 p.m., CST; on Sunday from noon to 6:00 p.m., CST; and thereafter from 8:00 a.m. to 8:00 p.m., CST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/1stamerican.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$3.1 million. Community Development Bank, FSB's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. 1<sup>st</sup> American State Bank of Minnesota is the 16th FDIC-insured institution to fail in the nation this year, and the third in Minnesota. The last FDIC-insured institution closed in the state was Marshall Bank, N.A., Hallock , January 29, 2010.

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