



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF FOUNDERS BANK, NEW HAVEN, CONNECTICUT

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation approved the assumption of the insured deposits of Founders Bank, New Haven, Connecticut, by Centerbank, Waterbury, Connecticut. Founders Bank was closed by John Burke, Connecticut Banking Commissioner, on Friday July 28, 1995, and the FDIC was named receiver.

The failed bank's two offices will reopen as branches of Centerbank beginning Monday, July 31. Founders Bank's depositors will automatically become depositors of the assuming bank.

Centerbank will assume \$72.7 million in approximately 5,000 deposit accounts. At the time Founders Bank failed, about \$3.0 million in 160 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Centerbank.

The FDIC Board of Directors voted to make an advance payment to uninsured depositors equal to 70 percent of uninsured claims. Beginning Monday, uninsured depositors can call an FDIC claims agent at the failed bank's main office in New Haven to arrange payment.

Centerbank will pay the FDIC a premium of \$3.8 million for the right to receive the failed bank's insured deposits and will purchase \$25.3 million of the failed bank's \$78.7 million in total assets.

The FDIC notes that its claim on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.



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.

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