



# NEWS RELEASE

FOR IMMEDIATE RELEASE  
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## FDIC ESTABLISHES NEW BRIDGE BANK TO ASSUME FIRST NATIONAL BANK OF VERMONT, BRADFORD, VERMONT

The Board of Directors of the Federal Deposit Insurance Corporation has established a new, full-service bridge bank to assume the insured deposits and assets of the First National Bank of Vermont, Bradford, Vermont.

The action took place after the Office of the Comptroller of the Currency closed First National Bank and named the FDIC receiver today. The new bridge bank, New First National Bank of Vermont, National Association, was chartered by the Comptroller of the Currency and is insured by the FDIC.

All 13 offices of New First National Bank of Vermont, National Association, will reopen on Monday, February 1, 1993. Depositors also will have access to their accounts over the weekend by check or automated teller machine. Loan customers of the bank should continue to make payments according to the terms and conditions of their loan agreements.

The failed bank's assets totaled \$293.5 million and deposits totaled \$263.2 million in 36,800 accounts. At the time the bank closed, it had approximately \$10.5 million in about 880 accounts that exceeded the federal deposit insurance limit of \$100,000 and will not be assumed by the new bridge bank.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, equal to 50 percent of the uninsured claims. Uninsured depositors can call the FDIC at 1 (800) 879-4728 to make arrangements to pick up their advance payment checks. Claims agents will be available on Friday until 11 p.m., Saturday from 8 a.m.

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to 8 p.m., Sunday from 8 a.m. to 6 p.m., and on business days thereafter from 8 a.m. to 5 p.m. If actual collections on the failed bank's assets exceed this initial payment, unsecured creditors ultimately will receive additional payments on their claim.

The Board of Directors determined that had the FDIC absorbed the unsecured creditors' (including uninsured depositors) share of the losses in this bank, the transaction would not have resulted in the "least costly" resolution required by law. The FDIC will seek proposals for the acquisition of the new bridge bank and expects to return it to the private sector in four to six months.

Merrill W. Sherman has been appointed president and chief executive officer of the bridge bank by the FDIC. Sherman served as chairwoman, president and CEO of Eastland Savings Bank and Eastland Bank, Woonsocket, Rhode Island. She was recruited with banking regulators' approval to attempt to restore the two banks to health despite Rhode Island's depressed economy until they were closed in December 1992. Before working at Eastland she was an attorney in a Providence, Rhode Island, law firm from 1974 until 1991.

The FDIC is required under the FDIC Improvement Act of 1991 to handle failing bank situations in the manner which is least costly to the Bank Insurance Fund. The FDIC Board concluded that the establishment of the new bridge bank was the least costly option available and will facilitate the orderly sale of the failed institution.

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