



# NEWS RELEASE

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## FDIC ESTABLISHES NEW SAVINGS BANK AS SUCCESSOR TO CROSSLAND SAVINGS BANK, FSB, BROOKLYN, N.Y.

The Federal Deposit Insurance Corporation today transferred the assets, deposits and certain other liabilities of CrossLand Savings, FSB, Brooklyn, New York, (CrossLand Savings) to a newly chartered, full service mutual savings bank. The new institution, CrossLand Federal Savings Bank (CrossLand Federal), will be managed by a newly appointed chief executive officer under the direction of the FDIC and has been recapitalized by the agency.

CrossLand Savings, with assets of \$7.4 billion and deposits of \$5.5 billion in its New York area deposit franchise, was closed earlier today by the Office of Thrift Supervision (OTS). The FDIC was appointed receiver by the OTS.

CrossLand Savings' 44 branches in the New York metropolitan area will observe their normal operating hours beginning today at 4 P.M. as branches of CrossLand Federal and will continue to offer full banking services. All deposits of CrossLand Savings have been assumed by CrossLand Federal, an FDIC-insured institution. Depositors continue to have access to their funds by writing checks or using automated teller machines in the same manner as before the closing. Those branches that had Saturday hours in the past will continue to do so.

The FDIC normally attempts to arrange an immediate acquisition following the failure of an insured institution. In this case, the FDIC Board of Directors considered other proposals; however, the Board decided the least costly alternative available was to organize a new, strong institution that would operate under FDIC control. The agency said that interim ownership will

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help the FDIC maximize the value of the institution while maintaining banking services in communities served by CrossLand Savings.

The FDIC, as the sole member (owner) of the CrossLand Federal, will provide the institution with sufficient capital to enable it to fully comply with applicable regulatory requirements. The FDIC said that \$1.2 billion in cash has been provided to bolster the capital and reserves of CrossLand Federal.

The FDIC is pleased to announce that Richard A. Kraemer has been selected to serve as the president and chief executive officer of CrossLand Federal. Until last week, Mr. Kraemer was the chairman and chief executive officer of two of H.F. Ahmanson's New York-based savings institutions: The Bowery Savings Bank and The Home Savings Bank. Mr. Kraemer was chairman, president and chief executive officer of The Home Savings Bank when he negotiated its sale to Ahmanson in 1989. The FDIC's objectives are for Mr. Kraemer to effectively manage CrossLand Federal as a full-service institution and prepare it for return to the private sector.

In addition to its New York deposit franchise, CrossLand Savings operated a number of subsidiaries in various businesses which have become subsidiaries of CrossLand Federal. The nationwide operations of CrossLand Savings had \$8.7 billion in assets.

Among the subsidiaries now owned by CrossLand Federal are CrossLand Savings, FSB of Salt Lake City, Utah, a thrift institution insured by the Savings Association Insurance Fund (SAIF), and CrossLand Mortgage Corporation, a mortgage banking subsidiary also based in Salt Lake City. These strongly capitalized entities are unaffected by the closing of the Brooklyn-based parent company. The SAIF-insured thrift institution has 32 branch offices in Florida, five in New Jersey and one in Utah.