



NEWS RELEASE

FOR IMMEDIATE RELEASE
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Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE CENTRAL SAVINGS BANK, LOWELL, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of The Central Savings, Lowell, Massachusetts, by MASSBANK For Savings, Reading, Massachusetts.

Six of the failed bank's seven offices will reopen on Saturday, February 15, 1992, as branches of MASSBANK For Savings, and its depositors automatically will become depositors of the assuming bank. The failed bank's main office will reopen on Tuesday, February 18, 1992.

The Central Savings Bank, with total assets of \$353.3 million, was closed on Friday, February 14, 1992, by Michael C. Hanson, Massachusetts Commissioner of Banks, and the FDIC was named liquidating agent.

MASSBANK For Savings will assume about \$338.9 million in about 58,000 deposit accounts, including approximately \$12.3 million in 390 accounts that exceeded the FDIC insurance limit of \$100,000. The Mutual Savings Central Fund, Inc., a corporation established to provide financial assistance and deposit insurance to Massachusetts' savings banks, through its Deposit Insurance Fund provided the FDIC \$750,000 to facilitate the assumption of the \$12.3 million in uninsured deposits.

The assuming bank will pay a premium of \$2,204,000 for the right to receive the failed bank's deposits and will purchase \$207.5 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$116.7 million to the assuming bank.

(more)

and will retain assets of the failed bank with a book value of about \$145.8 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. Non-depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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