



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC TRANSFERS INSURED DEPOSITS OF NEW HERITAGE BANK, LAWRENCE, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of New Heritage Bank, Lawrence, Massachusetts, to The First National Bank of Boston (Bank of Boston), Boston, Massachusetts. The failed bank's sole office will not reopen, but Bank of Boston's Lawrence Branch located at 257 Essex Street will open on Monday, March 9, 1992, to service insured depositors of New Heritage Bank.

The Board of Directors decided to arrange an insured deposit transfer because no bids for a purchase and assumption transaction were received.

New Heritage Bank, with total assets of about \$89.9 million, was closed on Friday, March 6, 1992 by Michael C. Hanson, Massachusetts Banking Commissioner, and the FDIC was named liquidating agent. At the time the bank closed, its deposits totaled about \$90.8 million in about 1,600 deposit accounts, including approximately \$1.2 million in 47 accounts that exceeded the federal insurance limit of \$100,000.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Monday, March 9, 1992. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored. FDIC personnel will be at the failed bank location to assist customers with uninsured deposits. Customers can also phone the FDIC at the failed bank at (508) 685-4600.

Insured depositors in the failed bank can automatically continue to

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conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$3,700 for the right to receive the transferred deposits. It also will purchase certain assets of the failed bank for \$19.2 million. The FDIC will retain assets of the failed bank with a book value of \$75.4 million. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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