



NEWS RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF
FIRST COMMUNITY BANK OF CHEROKEE, WOODSTOCK, GEORGIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of First Community Bank of Cherokee, Woodstock, Georgia, to Etowah Bank, Canton, Georgia. The failed bank's branch will not reopen, but its main office will reopen on Wednesday, April 1, 1992 as a branch of Etowah Bank.

The Board of Directors decided to arrange an insured deposit transfer because this transaction was the least costly.

First Community Bank, with total assets of about \$36.1 million, was closed on Tuesday, March 31, 1992 by Edward D. Dunn, Georgia Commissioner of Banking and Finance, and the FDIC was named receiver. At the time the bank closed, its deposits totaled about \$34.7 million in 3,500 deposit accounts, including approximately \$953,000 in 44 accounts that exceeded the federal insurance limit of \$100,000.

The Board of Directors also voted to make a prompt advance payment to uninsured depositors equal to 59 percent of the uninsured claims. This payment is based on the estimated present value of assets to be liquidated. If actual collections on the assets exceed this estimate, on a present value basis, uninsured depositors ultimately will receive additional payments on their claim.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Wednesday, April 1, 1992. In the

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interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to 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 \$1,139,000 for the right to receive the transferred deposits. It also will purchase \$12.5 million of the failed bank's assets. The FDIC will retain assets of the failed bank with a book value of \$23.6 million. 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.

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