



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-89-92 (6-4-92)

Media Contact:
Andrew Porterfield (202) 898-6593

**FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
MAYFAIR BANK, CHICAGO, ILLINOIS**

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Mayfair Bank, Chicago, Illinois, a minority-owned institution, by Foster Bank, Chicago, Illinois. Foster Bank is a minority-owned institution.

The failed bank's sole office will reopen on Friday, June 5, 1992, as a branch of Foster Bank, and its depositors automatically will become depositors of the assuming bank.

Mayfair Bank, with total assets of \$33.6 million, was closed on Thursday, June 4, 1992, by Robert Piel, Illinois Commissioner of Banks and Trust Companies, and the FDIC was named receiver.

Foster Bank will assume about \$27.5 million in about 5,600 deposit accounts. At the time the bank closed, approximately \$2.7 million in 36 accounts exceeded the federal insurance limit of \$100,000, and will not be assumed by Foster Bank.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, equal to 66 percent of the uninsured claims. If actual collections on the assets of the failed bank exceed this initial payment, uninsured depositors ultimately will receive additional payments on their claim. Customers with deposits in the failed bank up to the statutory insurance limit of \$100,000 will continue to have immediate access to their accounts.

Foster Bank will pay a premium of \$350,000 for the right to receive the

(more)

failed bank's deposits and will purchase \$15.1 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$11.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$18.6 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. Uninsured depositors and non-depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

##