



## NEWS RELEASE

FOR IMMEDIATE RELEASE  
PR-107-92 (7-17-92)

Media Contact:  
David Barr (202) 898-6992

### FDIC APPROVES ASSUMPTION OF DEPOSITS OF STATE BANK OF SPRINGFIELD, SPRINGFIELD, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of State Bank of Springfield, Springfield, Minnesota, by Southwest State Bank, Windom, Minnesota.

State Bank of Springfield, with total assets of \$31.2 million, was closed on Friday, July 17, 1992, by Bert J. McKasy, Minnesota Commissioner of Commerce, and the FDIC was named receiver.

The failed bank's sole office will reopen on Monday, July 20, 1992, as a branch of Southwest State Bank, and its depositors automatically will become depositors of the assuming bank. The drive-thru facility, however, will reopen Saturday, July 18, 1992.

Southwest State Bank will assume about \$29.1 million in 4,400 deposit accounts and will purchase approximately \$30.6 million of the failed bank's assets at a discount of \$1.46 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. The transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Southwest State Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

###