



NEWS RELEASE

FOR IMMEDIATE RELEASE
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Media Contact:
Frank Gresock (202) 898-6634

FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE UNION SAVINGS BANK, PATCHOGUE, NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of The Union Savings Bank, Patchogue, New York, by Home Federal Savings Bank, Ridgewood, New York.

The Union Savings Bank, with total assets of \$576.9 million, was closed on Friday, Aug. 28, 1992, by Derrick D. Cephas, New York Superintendent of Banks, and the FDIC was named receiver.

The failed bank's eight offices will reopen on Monday, August 31, 1992, as branches of Home Federal Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Home Federal Savings Bank will assume about \$546 million in about 64,300 deposit accounts. The acquirer did not assume approximately \$14.1 million in 425 deposit accounts that exceeded the federal insurance limit of \$100,000. Home Federal Savings Bank will pay a premium of \$1.7 million for the right to receive the failed bank's insured deposits and will purchase \$268.3 million of the failed bank's assets.

To facilitate the transaction, the FDIC will advance about \$275.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$351.4 million.

The Board of Directors also voted to make an advance payment to unsecured creditors, including uninsured depositors, equal to 80 percent of the uninsured claims.

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If actual collections on the assets exceed this initial payment, uninsured depositors will ultimately receive additional payments on their claim.

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.

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