



# NEWS RELEASE

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Media Contact:  
Andrew Porterfield (202) 898-6593

## FDIC TO PAY OFF INSURED DEPOSITORS IN UNIVERSAL BANK, LANHAM, MARYLAND

The Board of Directors of the Federal Deposit Insurance Corporation has approved paying off insured depositors in Universal Bank, Lanham, Maryland. The bank, with total assets of \$22.1 million, was closed on Friday, October 16, 1992, by Margie H. Muller, Maryland Bank Commissioner, and the FDIC was named receiver.

The FDIC Board of Directors determined that a payoff of insured depositors was required because no bids for the failed bank met the FDIC's cost test.

Deposits in about 1,500 accounts totaled about \$20.5 million, including about \$751,000 in 27 accounts that exceeded the federal insurance limit of \$100,000. Deposits up to the \$100,000 insurance limit will be mailed to their owners beginning Monday, October 19, 1992.

The Board of Directors also voted to make an advance payment to unsecured creditors, including uninsured depositors, equal to 56 percent of the uninsured claims. Uninsured depositors can pick up their advance payment at the bank beginning on Monday, October 19, 1992. If actual collections from the sale of the failed bank's assets exceed this estimate, uninsured depositors ultimately will receive additional payments on their claim. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in proceeds realized from the liquidation of the failed bank's assets.

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