



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-60-91 (4-18-91)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF
COMMUNITY NATIONAL BANK, SHERMAN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Community National Bank, Sherman, Texas, by American Bank of Sherman, National Association, Sherman, Texas.

Community National Bank, with total assets of \$18.1 million, was closed on Thursday, April 18, 1991, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

The failed bank's sole office will reopen on Friday, April 19, 1991, as a branch of American Bank of Sherman, National Association, and its depositors automatically will become depositors of the assuming bank.

American Bank of Sherman, National Association, will assume about \$17.9 million in 4,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,000. It also will purchase \$15.1 million of the failed bank's loans and other assets. To facilitate the transaction, the FDIC will advance about \$2.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.1 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 FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank.

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