



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE HOUSATONIC BANK AND TRUST COMPANY, ANSONIA, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The Housatonic Bank and Trust Company, Ansonia, Connecticut, by Shelton Savings Bank, Shelton, Connecticut.

The failed bank's sole office will reopen on Monday, July 29, 1991, as a branch of Shelton Savings Bank, and its depositors automatically will become depositors of the assuming bank.

The Housatonic Bank and Trust Company, with total assets of \$66.4 million, was closed on Friday, July 26, 1991, by Ralph Shulansky, Connecticut Banking Commissioner, and the FDIC was named receiver.

Shelton Savings Bank will assume about \$61.7 million in 7,600 deposit accounts and has agreed to pay the FDIC a purchase premium of \$150,000. It also will purchase approximately \$17.3 million of the failed bank's loans and other assets and will have options to purchase other loans. To facilitate the transaction, the FDIC will advance about \$46.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$49.1 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. In this respect, the FDIC notes its claim will have priority over the claims of non depositor creditors and shareholders of the closed bank.

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