



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-129-91 (9-6-91)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE FAMILY BANK AND TRUST, ALLENSTOWN, NEW HAMPSHIRE

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The Family Bank and Trust, Allenstown, New Hampshire, by The Valley Bank, Hillsborough, New Hampshire.

The failed bank's two offices will reopen on Saturday, September 7, 1991, as branches of The Valley Bank, and its depositors automatically will become depositors of the assuming bank.

The Family Bank and Trust, with total assets of \$45.3 million, was closed on Friday, September 6, 1991, by A. Roland Roberge, New Hampshire Bank Commissioner, and the FDIC was named receiver.

The Valley Bank will assume about \$45.6 million in 7,800 deposit accounts and will purchase \$20.7 million of the failed bank's assets including \$7.3 million of the bank's loans at a discount of \$55,000. To facilitate the transaction, the FDIC will advance about \$25.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$24.6 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 that its claim will have priority over the claims of nondepositors creditors and shareholders of the closed bank.

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