



NEWS RELEASE

FOR IMMEDIATE RELEASE
FR-130-91 (9-6-91)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF DEPOSITS OF SUFFIELD BANK, SUFFIELD, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit and secured liabilities of Suffield Bank, Suffield, Connecticut, by First Federal Bank, FSB, Waterbury, Connecticut.

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

Suffield Bank, with total assets of \$301.4 million, was closed on Friday, September 6, 1991, by Ralph M. Shulansky, Connecticut Banking Commissioner, and the FDIC was named receiver.

First Federal Bank will assume about \$264.1 million in 29,100 deposit accounts and will purchase \$83.0 million of the failed bank's assets, including \$52.7 million of the bank's loans, at a discount of \$2,495,000. To facilitate the transaction, the FDIC will advance about \$188.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$218.4 million. In addition, the FDIC as receiver will repay about \$34.9 million in secured borrowings.

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 nondepositor creditors and shareholders of the closed bank.

###