



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
VALLEY BANK, WHITE RIVER JUNCTION, VERMONT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Valley Bank, White River Junction, Vermont, by Vermont National Bank, Brattleboro, Vermont.

The failed bank's sole office will reopen on Monday, September 16, 1991, as a branch of Vermont National Bank, and its depositors automatically will become depositors of the assuming bank.

Valley Bank, with total assets of \$36.2 million, was closed on Friday, September 13, 1991, by Jeffrey P. Johnson, Vermont Commissioner of Banking and Insurance, and the FDIC was named receiver.

Vermont National Bank will assume about \$36.0 million in 5,100 deposit accounts. It also will purchase \$10.7 million of the failed bank's assets, including \$7.8 million of loans at a discount of \$166,000, and will have options to purchase other loans. To facilitate the transaction, the FDIC will advance about \$25.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$25.5 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. Non-depositor creditors of the failed bank will share proportionately with the FDIC in the proceeds realized from the liquidation of assets not transferred to the assuming bank.

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