



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
CONNECTICUT VALLEY BANK, CROMWELL, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Connecticut Valley Bank, Cromwell, Connecticut, by MidConn Bank, Kensington, Connecticut.

The failed bank's sole office will reopen on Saturday, October 19, 1991, as a branch of MidConn Bank, and its depositors automatically will become depositors of the assuming bank.

Connecticut Valley Bank, with total assets of \$28.8 million, was closed on Friday, October 18, 1991, by Ralph M. Shulansky, Connecticut Bank Commissioner, and the FDIC was named receiver.

MidConn Bank will assume about \$27.9 million in 2,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$150,000. It also will purchase \$4.2 million of the failed bank's assets, including \$1.1 million in loans, and will have an option to purchase other loans. To facilitate the transaction, the FDIC will advance about \$23.6 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 nondepositor creditors and shareholders of the closed bank.