



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-176-91 (11-21-91)

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FDIC AGREES TO SELL CERTAIN FAILED BANK ASSETS TO FLEET/NORSTAR

The FDIC Board of Directors has approved a program allowing Fleet/Norstar, Inc., Providence, Rhode Island, to purchase certain performing loans of the failed bank subsidiaries of Bank of New England Corporation and Maine Savings Bank, Portland. These loans are currently being managed for the FDIC by RECOLL Management Corporation, Inc., Boston, a subsidiary established by Fleet/Norstar to manage the pool of classified loans and other assets assumed from these banks.

Fleet and the FDIC agreed to the purchase of the loans so they can be handled in an ongoing banking relationship under which the bank will be better able to meet the future funding needs of the borrowers. An important objective of this program is to benefit the region's depressed economy.

About 4,800 loans worth about \$1.4 billion may qualify under the purchase program. To qualify, these loans must be less than 30 days past due, have a collateral-to-loan ratio of at least 75 percent, and be unrelated to other assets in the pool. Also, the loan cannot be subject to pending litigation or any environmental problems, and full recovery of the loan amount must appear likely.

These loans are technically classified because of either a drop in the value of collateral or for other reasons, but are considered "performing" loans because borrowers' payments are current. Under the terms of the program, Fleet/Norstar would have the right to return any of these assets at book

(more)

value to the FDIC before July 12, 1994. This is the same schedule for returning assets that is contained in the original purchase and assumption agreement between the FDIC and Fleet/Norstar.

Fleet/Norstar purchased Maine Savings Bank, which failed on February 1, 1991, and the three bridge banks established by the FDIC following the failure on January 6, 1991, of Bank of New England, N.A., Boston; The Connecticut Bank & Trust Company, N.A., Hartford; and Maine National Bank, Portland.

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