



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
THE FIRST STATE BANK OF REGENT, REGENT, NORTH DAKOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The First State Bank of Regent, Regent, North Dakota, by First National Bank, Hettinger, North Dakota.

The failed bank's sole office will reopen on Friday, February 23, 1990, as a branch of First National Bank, and its depositors automatically will become depositors of the assuming bank.

The First State Bank of Regent, with total assets of \$9.9 million, was closed on Thursday, February 22, 1990, by Gary D. Preszler, North Dakota Commissioner of Banking and Financial Institutions, and the FDIC was named receiver.

First National Bank will assume about \$9.7 million in 1,900 deposit accounts and has agreed to pay the FDIC a purchase premium of \$10,280. It also will purchase certain of the failed bank's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$7.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$7.2 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.

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