



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
COMMUNITY STATE BANK OF ONALASKA, ONALASKA, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Community State Bank of Onalaska, Onalaska, Texas, by The Bank of Livingston, Livingston, Texas.

The failed bank's sole office will not reopen; however, depositors will have access to their funds on Friday, March 2, 1990, at the Bank of Livingston's home office located at 1700 West Church Street, Livingston. Depositors of the failed bank automatically will become depositors of The Bank of Livingston.

Community State Bank of Onalaska, with total assets of \$10.1 million, was closed on Thursday, March 1, 1990, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

The Bank of Livingston will assume about \$9.9 million in 2,200 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,000. 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 \$6.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$6.9 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.

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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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