



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC APPROVES ASSUMPTION OF DEPOSITS OF FIRST NATIONAL BANK OF GARLAND, GARLAND, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of First National Bank of Garland, Garland, Texas, by State Bank of Texas, Dallas, Texas. The failed bank's sole office will reopen on Friday, March 30, 1990, as a branch of State Bank of Texas, and its depositors automatically will become depositors of the assuming bank.

First National Bank of Garland, with total assets of about \$10.1 million, was closed on Thursday, March 29, 1990, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

State Bank of Texas will assume about \$9.8 million in 3,400 deposit accounts. It also will purchase approximately \$6.4 million of the failed bank's assets, including \$692,000 of the bank's small loans at a discount of \$174,000.

To facilitate the transaction the FDIC will advance \$3.6 million to the assuming bank and will retain assets of the failed bank with a book value of \$3.6 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.

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