



# NEWS RELEASE

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## FDIC APPROVES ASSUMPTION OF DEPOSITS OF CHAMPIONS POINT NATIONAL BANK, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Champions Point National Bank, Houston, Texas, by Northwest Bank, Houston, Texas. The failed bank's two offices will reopen on Friday, April 6, 1990, as branches of Northwest Bank, and its depositors automatically will become depositors of the assuming bank.

Champions Point National Bank, with total assets of about \$20.5 million, was closed on Thursday, April 5, 1990, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Northwest Bank will assume about \$19.4 million in 3,000 deposit accounts. It also will purchase approximately \$16.2 million of the failed bank's assets, including \$2.7 million of the bank's small loans at a discount of \$425,400.

To facilitate the transaction the FDIC will advance \$4.4 million to the assuming bank and will retain assets of the failed bank with a book value of \$4.4 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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