



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-67-90 (4-18-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF  
THE SEAMEN'S BANK FOR SAVINGS, FSB, NEW YORK, NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of The Seamen's Bank for Savings, FSB, New York, New York, by The Chase Manhattan Bank (National Association), New York, New York.

The failed bank's 13 offices will reopen on Thursday, April 19, 1990, as branches of Chase Manhattan, and its depositors automatically will become depositors of the assuming bank.

The Seamen's Bank for Savings, FSB, with total assets of \$2.4 billion, was closed on Wednesday, April 18, 1990, by the Office of Thrift Supervision, and the FDIC was named receiver.

Chase Manhattan will assume about \$2.1 billion in 169,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$5,000,000. It will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will offer a short-term note of about \$2.1 billion to the assuming bank, repay secured borrowings of approximately \$450 million and will retain assets of the failed bank with a book value of about \$2.4 billion.

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 significant portion of its outlay through the liquidation of assets, including marketable mortgage-backed securities, not transferred to the assuming bank. In this respect, the FDIC's claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.