



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-73-90 (4-19-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF SECURITY NATIONAL BANK OF ELGIN, ELGIN, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Security National Bank of Elgin, Elgin, Texas, by Elgin Bank of Texas, Elgin, Texas.

The failed bank's sole office will reopen on Friday, April 20, 1990, as a branch of Elgin Bank of Texas, and its depositors automatically will become depositors of the assuming bank.

Security National Bank of Elgin, with total assets of about \$11.1 million, was closed Thursday, April 19, 1990, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Elgin Bank of Texas will assume about \$10.8 million in 1,800 deposit accounts. It also will purchase approximately \$2.8 million 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 \$8.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$8.3 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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