



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-105-90 (6-1-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE HOME NATIONAL BANK OF MILFORD, MILFORD, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The Home National Bank of Milford, Milford Massachusetts, by BayBank Middlesex, Burlington, Massachusetts.

The failed bank's 10 offices will reopen on Monday, June 4, 1990, as branches of BayBank. Depositors of Home National automatically will become depositors of the assuming bank.

Home National, with total assets of about \$490.0 million, was closed on Friday, June 1, 1990, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

BayBank will assume about \$440.0 million in 46,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$2,000,000. 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 \$350.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$380.0 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 nondeposito creditors and shareholders of the closed bank.

###