



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF IREDELL STATE BANK, IREDELL, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit and secured liabilities of Iredell State Bank, Iredell, Texas, by First Security State Bank - Cranfills Gap, Cranfills Gap, Texas.

The failed bank's two offices will reopen on Friday, July 13, 1990, as branches of First Security State Bank - Cranfills Gap, and its depositors automatically will become depositors of the assuming bank.

Iredell State Bank, with total assets of \$10.4 million, was closed on Thursday, July 12, 1990, by Kenneth W. Littlefield, Banking Commissioner, and the FDIC was named receiver.

First Security State Bank - Cranfills Gap will assume about \$10.1 million in 1,600 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,500. It also will purchase \$7.5 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$2.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.9 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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