

Press Releases

Northbrook Bank and Trust Company, Northbrook, Illinois, Assumes All of the Deposits of Lincoln Park Savings Bank, Chicago, Illinois

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Lincoln Park Savings Bank, Chicago, Illinois, was closed today by the Illinois Department of Financial and Professional Regulation – Division of Banking, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Northbrook Bank and Trust Company, Northbrook, Illinois, to assume all of the deposits of Lincoln Park Savings Bank.

The four branches of Lincoln Park Savings Bank will reopen on Saturday as branches of Northbrook Bank and Trust Company. Depositors of Lincoln Park Savings Bank will automatically become depositors of Northbrook Bank and Trust Company. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branch until they receive notice from Northbrook Bank and Trust Company that it has completed systems changes to allow other Northbrook Bank and Trust Company branches to process their accounts as well.

This evening and over the weekend, depositors of Lincoln Park Savings Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, Lincoln Park Savings Bank had approximately \$199.9 million in total assets and \$171.5 million in total deposits. Northbrook Bank and Trust Company will pay the FDIC a premium of 0.4 percent to assume all of the deposits of Lincoln Park Savings Bank. In addition to assuming all of the deposits of the failed bank, Northbrook Bank and Trust Company agreed to purchase essentially all of the assets.

The FDIC and Northbrook Bank and Trust Company entered into a loss-share transaction on \$141.5 million of Lincoln Park Savings Bank's assets. Northbrook Bank and Trust Company will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-357-7599. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; and thereafter from 8:00 a.m. to 8:00 p.m., CDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/lincoln-park.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$48.4 million. Northbrook Bank and Trust Company's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. Lincoln Park Savings Bank is the 55th FDIC-insured institution to fail in the nation this year, and the eighth in Illinois. The last FDIC-insured institution closed in the state was New Century Bank, Chicago, earlier today.