

Regulators Close Banks in Four States

By [Global Research](#)

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U.S. bank regulators closed four banks in as many states on Friday, bringing the number of failures so far this year to 26 as deteriorating loans continued taking a toll on financial institutions.

The largest of the four was Sun American Bank of Boca Raton, Florida, which had approximately \$535.7 million in total assets and \$443.5 million in total deposits, the Federal Deposit Insurance Corp (FDIC) said.

Regulators also closed Centennial Bank of Odgen, Utah, Waterfield Bank of Germantown, Maryland, and Bank of Illinois of Normal, Illinois.

FDIC Chairman Sheila Bair has said she expects bank failures to remain high through 2010, even as the economy improves, because the bank industry is continuing to recognize loan losses and clean up their balance sheets.

Regulators closed 140 banks in 2009, up from 25 in 2008 and only 3 in 2007.

The industry's woes are moving from residential loans and complex securities to more conventional types of retail and commercial loans hit hard by the recession.

The 12 branches of Sun American Bank will reopen on Monday as branches of First-Citizens Bank & Trust Company of Raleigh, North Carolina, which is assuming the deposits and purchasing essentially all the assets, FDIC said.

However, FDIC was unable to find a buyer for Centennial Bank so checks will be mailed on Monday to retail depositors for their insured funds, the agency said.

The bank had approximately \$215.2 million in total assets and \$205.1 million in total deposits. An estimated \$1.8 million of those funds were uninsured, but that number could change as more information becomes available, FDIC said.

It encouraged customers with more than \$250,000 in their accounts at Centennial to call the FDIC at 1-800-889-4976 to set up an appointment to discuss their deposits.

The FDIC also had to create a new depository institution to take over the operations of Waterfield Bank.

It said the new institution, also called Waterfield Bank, will remain open until April 5 to allow depositors access to their insured funds and time to move their accounts.

Waterfield Bank had \$155.6 million in assets and \$156.4 million in deposits. After April 5,

the FDIC will mail checks to customers who have not closed their accounts or transferred their funds to another institution.

It estimated uninsured funds in Waterfield at about \$407,000, but said that could change.

Heartland Bank and Trust of Bloomington, Illinois, agreed to assume the deposits of Bank of Illinois, whose two branches will reopen on Saturday as branches of Heartland.

FDIC said Bank of Illinois had \$211.7 million in assets and \$198.5 million in deposits. Heartland paid the FDIC a premium of 3.61 percent to assume the deposits and agreed to purchase essentially all of the failed bank's assets, FDIC said.

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