

Small Banks in the US are Collapsing

Regulators close 7 more banks, a total of 139 US banks closed down in 2010

By [Global Research](#)

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WASHINGTON (Reuters) – The Federal Deposit Insurance Corp said on Friday that U.S. regulators closed seven more banks, bringing the total so far this year to 139.

The biggest was Hillcrest Bank of Overland Park, Kansas, which had approximately \$1.65 billion in total assets and \$1.54 billion in total deposits.

Regulators also closed First Arizona Savings, Scottsdale, Arizona; First Suburban National Bank, Maywood, Illinois; First National Bank of Barnesville, Barnesville, Georgia; Gordon Bank, Gordon, Georgia; Progress Bank of Florida, Tampa, Florida; and First Bank of Jacksonville, Jacksonville, Florida.

A newly chartered bank subsidiary of NBH Holdings Corp, Boston, Massachusetts, will assume all of the deposits of Hillcrest Bank.

The new NBH subsidiary, also called Hillcrest Bank, also agreed to purchase essentially all of the failed bank's assets, the FDIC said.

First Arizona Savings had approximately \$272.2 million in total assets and \$198.8 million in total deposits.

At the time of closing, the bank had an estimated \$1.8 million in uninsured funds.

The FDIC said it was unable to find another financial institution to take over the banking operations of First Arizona Savings. As a result, checks to depositors for their insured funds will be mailed on Monday.

First Suburban National Bank had about \$148.7 million in total assets and \$140.0 million in total deposits.

Seaway Bank and Trust Company, Chicago, Illinois, assumed all of First Suburban's deposits and agreed to purchase essentially all of the failed bank's assets.

First National Bank of Barnesville had approximately \$131.4 million in total assets and \$127.1 million in total deposits.

United Bank of Zebulon, Georgia, assumed all of the Barnesville bank's deposits and agreed to purchase essentially all of the assets.

Gordon Bank had approximately \$29.4 million in total assets and \$26.7 million in total

deposits.

Morris Bank of Dublin, Georgia, paid a premium of 0.5 percent for the deposits of Gordon Bank and agreed to purchase about \$11.5 million of the failed bank's assets. The FDIC will keep the remaining assets for later disposition.

Progress Bank of Florida had approximately \$110.7 million in total assets and \$101.3 million in total deposits.

Bay Cities Bank of Tampa, Florida, assumed all of Progress Bank's deposits and agreed to purchase essentially all of the failed bank's assets.

First Bank of Jacksonville had approximately \$81.0 million in total assets and \$77.3 million in total deposits.

Ameris Bank of Moultrie, Georgia, assumed all of the Jacksonville bank's deposits and agreed to purchase essentially all of the failed bank's assets.

FDIC Chairman Sheila Bair has said she expects the number of bank failures this year to exceed the 2009 total of 140, but that total assets of the failures will probably be lower.

This week, the FDIC said estimated bank failures will cost the Deposit Insurance Fund \$52 billion from 2010 through 2014, down from an earlier estimate of \$60 billion.

The Deposit Insurance Fund, financed by banks that pay into the fund, guarantees individual accounts up to \$250,000.

While failures are still occurring at a fairly brisk pace, it is now mostly smaller institutions, community banks, that have been collapsing.

Washington Mutual, which had \$307 billion in assets when it was seized in September 2008, remains the largest bank to fail during the financial crisis.

(Reporting by [Doug Palmer](#); editing by Carol Bishopric, [Gary Hill](#))

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