Hibernia acquires Lafayette S&L under bailout bill

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Hibernia National Bank assumed the insured deposits of defunct Evangeline Federal Savings and Loan in Lafayette on Friday, the first transaction involving a failed thrift in Louisiana under the federal savings and loan bailout bill signed Aug. 9 by President George Bush.

The move gives New Orleans-based Hibernia a widened deposit base and adds to its branch network in Lafayette. Evangeline, opened in 1982, operated a single location on West Congress in Lafayette.

Federal regulators shut down three other small failed savings and loan associations — in Iowa, Kansas and Texas — on Friday, bringing to seven the number closed since Bush signed thrift bailout legislation.

Hibernia paid $230,000 to assume $78 million in Evangeline's insured deposits, according to Larry McIntosh, president and chairman of Hibernia Bank in Baton Rouge. One other financial institution, a savings and loan in the Lafayette area, also bid for Evangeline's deposits but was beat by Hibernia's bid.

"We wanted to expand our market presence in Lafayette. It is in line with our acquisition strategy," McIntosh said. "We're glad to cut our teeth on an S&L acquisition. We welcome the opportunity to get early experience," he added.

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Depositsoverthe$100,000insuredlimitdidnottransfer.

These deposits represented a "very minimal" amount — "maybe a million" dollars, said David Loveday, spokesman for the Resolution Trust Corp. The RTC is the new entity created in the thrift bailout bill to manage failed thrifts and dispose of their assets.

Loveday said the uninsured deposit total could "go a little higher or it could go a little lower." The $1 million figure is a "rough estimate," he said.

Any uninsured deposits and nondepositors will share with the RTC in any money realized from the liquidation of Evangeline's assets.

Although Hibernia did not assume any of Evangeline's loans, Hibernia has a month to go over the assets and decide whether it wants to purchase any of the loans. Any of the assets not purchased by Hibernia will be liquidated, Loveday said.

Evangeline Federal counted total assets of $38.2 million Friday, according to RTC figures. Tangible capital based generally accepted accounting principles stood at a negative $46.8 million on March 31, the most recent figures available from Sheshunoff Information Inc., the Austin-Texas firm that tracks thrift performance.

The negative capital of $46.8 million means that Evangeline was grossly insolvent. It had operated under the Federal Deposit Insurance Corp.'s conservatorship program since March 16, 1989.

Evangeline will reopen Monday as a branch of Hibernia. Customer service should not be interrupted and checks drawn on Evangeline accounts, up to the insured limit, will be honored by Hibernia, the RTC said.

Under the guidelines of the bill, banks acquiring failed thrifts can fold the thrifts operations directly into the banking operation.

Evangeline Federal lost $2.260 million during the first three months of the year, Sheshunoff reported.

Hibernia entered the Lafayette market in September 1986 when it acquired Southwest National Bank. A few months later, it took over Hub City Bank & Trust after that bank failed in February 1987.

The other thrifts closed by the Resolution Trust Corp. on Friday included Sioux Valley Savings and Loan Association of Cherokee, Iowa; First Federal Savings and Loan Association of Coffeyville, Coffeyville, Kan.; and Century Savings and...