Defunct Lafayette bank reopens as Whitney branch

By BRUCE SCHULTZ
Acadiana bureau

LAFAYETTE - The now-defunct American Bank and Trust of Lafayette reopened here Monday as a branch of Whitney National Bank of New Orleans.

American Bank was closed Friday afternoon by Kenneth Pickering, state banking commissioner, after it was determined that the bank had failed. That same day, Whitney made a successful offer to obtain American.

The Lafayette bank is not affiliated with American Bank in Baton Rouge or any other American Bank in Louisiana.

Monday’s opening went smoothly, said Robert Tujague, general manager of the Lafayette office.

“We had a bunch of customers that came back in, redeposited money, opened new accounts, and we were very pleased,” Tujague said.

He said he was worried about a run on the bank, but that didn’t occur.

He said an analysis is being conducted now to decide what must be done to make the Lafayette operation profitable.

All employees under American Bank here were asked Monday by Whitney to return to their old jobs, Tujague said.

In March, the bank reported a $1.2 million loss.

Whitney will retain roughly half of the American Bank loan portfolio of $140 million, and the other half will be taken over by the Federal Deposit Insurance Corp., Tujague said. Loans taken over by the FDIC were problem loans, and FDIC will attempt to collect on those, he said.

Tujague said Whitney had attempted to merge with American Bank, making American a subsidiary, approximately three months ago under the condition that the FDIC accept any possible liability in the merger. The deal fell through when the FDIC refused to accept potential liability, he said.

Whitney is considering setting up a local advisory board to retain local input, he said. Some members of the disbanded American Bank Board of Directors may sit on the advisory board, he said.

Pickering said Monday that future bank closings in Louisiana are not expected.

“I don’t make comments as to specific banks, good, bad or indifferent,” he said. “We do not anticipate any other major problems in the Acadiana area or anywhere else at the moment.”

Friday’s bank closing was the sixth in the state this year and the 105th nationwide. American Bank of Lafayette was the second largest bank to close in the state this year.