Regulators close two La. thrifts

Advocate news services

Federal regulators closed two Louisiana savings and loans Friday, including River City Federal Savings Bank in Baton Rouge, the thrift failures coming on the heels of the state's 15th bank collapse this year.

Directors of the Resolution Trust Corporation approved the transfer of deposits from River City Federal to Hibernia National Bank of New Orleans. The RTC approved a similar transfer of deposits from Acadia Savings & Loan of Crowley to Iberia Savings Bank of New Iberia.

Both of the failed institution's deposits are insured by the federal government up to $100,000 in individual accounts. The RTC said uninsured depositors and other creditors would share with the federal government in proceeds from liquidation.

The RTC is the federally chartered corporation established in August to oversee failed savings associations and recover their losses. It was named receiver for both Louisiana institutions after they were closed Friday by the federal Office of Thrift Supervision.

On Thursday, federal and state regulators cited a depleted Louisiana economy and bad loans as their reason for closing the Olla State Bank in LaSalle Parish. The Olla bank's assets were assigned to the Jonesboro Bank and Trust Co. in Catahoula Parish.

The RTC gave no reason for Friday's closures, other than to say both institutions had failed.

On June 30, River City reported a negative tangible capital — meaning it was in the red — of $62.89 million, according to the most recent figures from Sheshunoff Information Services Inc., a Texas firm that tracks bank and thrift performance.

Acadia reported negative tangible capital of $95.56 million on June 30, Sheshunoff reported.

The RTC said River City's two Baton Rouge offices would reopen Tuesday as branches of Hibernia National, and that Acadia's five offices would reopen Tuesday as branches of Iberia Savings.

Banks across the nation will close Monday in observance of Columbus Day.

River City had total assets of about $72.8 million and deposits amounting to about $111.2 million at the close of business Friday, the RTC said. It said

Acadia had assets of about $108.1 million and deposits of about $144 million.

Hibernia paid the RTC a $72,000 premium for River City's deposits and Iberia Savings paid $187,000 for those of Acadia, the agency said.

It said both Hibernia and Iberia Savings also have options to purchase loans and other assets of both failed institutions.

Hibernia also purchased Trinity Valley Savings & Loan Association in Houston. Trinity Valley counted approximately $80 million in deposits when it was closed by federal regulators.

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