

New Mexico Regulation and Licensing Department
FINANCIAL INSTITUTIONS DIVISION

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GOVERNOR Bill Richardson

SUPERINTENDENT Kelly O'Donnell • DIRECTOR William Verant

EMBARGOED UNTIL 5:00 P.M.
June 25, 2010

**For more information: William J.
Verant
(505) 699-4262**

**FIRST AMERICAN BANK, ARTESIA, NEW MEXICO, ASSUMES ALL OF THE
DEPOSITS OF HIGH DESERT STATE BANK, ALBUQUERQUE, NEW
MEXICO**

Albuquerque, N.M. – High Desert State Bank, Albuquerque, New Mexico, was closed today by the New Mexico Financial Institutions Division, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with First American Bank, Artesia, New Mexico, to assume all of the deposits of High Desert State Bank.

The two branches of High Desert State Bank will reopen on Monday as branches of First American Bank. Depositors of High Desert State Bank will automatically become depositors of First American Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage. Customers of High Desert State Bank should continue to use their existing branch until they receive notice from First American Bank that it has completed systems changes to allow other First American Bank branches to process their accounts as well.

This evening and over the weekend, depositors of High Desert State Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of March 31, 2010, High Desert State Bank had approximately \$80.3 million in total assets and \$81.0 million in total deposits. First American Bank did not pay the FDIC a premium for the deposits of High Desert State Bank. In addition to assuming all

of the deposits of the failed bank, First American Bank agreed to purchase essentially all of the assets.

The FDIC and First American Bank entered into a loss-share transaction on \$67.6 million of High Desert State Bank's assets. First American Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit:

<http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

William J. Verant, Director Financial Institutions Division stated "First American Bank, Artesia is a strong New Mexico State Chartered Bank which has served New Mexico citizens since 1903. This Acquisition will allow consumers to benefit from First American Bank's competitive bank products and services and allows the bank to expand its services into Albuquerque and the middle Rio Grande Valley."

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-405-8124. The phone number will be operational this evening until 9 p.m., Mountain Daylight Time (MDT); on Saturday from 9 a.m. to 6 p.m., MDT; on Sunday from noon to 6 p.m., MDT; and thereafter from 8 a.m. to 8 p.m., MDT.

Customers can visit the FDIC's Web site:

<http://www.fdic.gov/bank/individual/failed/highdesertnm.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$20.9 million. Compared to other alternatives, First American Bank's acquisition was the "least costly" resolution for the FDIC's DIF. High Desert State Bank is the 86th FDIC-insured institution to fail in the nation this year, and the second in New Mexico. The last FDIC-insured institution closed in the state was Charter Bank, Santa Fe, on January 22, 2010.

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