

# Five more banks fail -- 89 so far in 2009

## Regulators close banks in Arizona, Illinois, Iowa and Missouri.

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NEW YORK (CNNMoney.com) -- Five small regional banks were closed by regulators on Friday evening, pushing 2009's tally so far to 89 institutions. Of the five failures, two were in Illinois, and there was one each in Arizona, Iowa and Missouri.

Customers of the banks, however, are protected. The Federal Deposit Insurance Company, which has insured bank deposits since the Great Depression, covers each customer account up to \$250,000.

In Illinois, Platinum Community Bank, in Rolling Meadows, and InBank, in Oak Forest, were the latest institutions to be closed by regulators. This makes for a total of 15 failed Illinois banks this year. The last one to go under was Mutual Bank, in Harvey, on July 31, 2009.

The Office of Thrift Supervision was unable to find a buyer to take over the assets of Platinum Community, which were estimated at \$345.6 million with deposits of \$305 million. As a result, the FDIC will begin mailing customers checks for their insured deposits beginning on Tues., Sept. 8.

That means customers are out of luck over the weekend and cannot access any of their Platinum Community accounts. "The bank is gone. It no longer exists," said David Barr, spokesman for the FDIC. "We couldn't find an appropriate buyer. We don't do that very often."

For those Platinum Community customers expecting direct deposits from the federal government -- such as Social Security and Veterans' payments -- MB Financial Bank will handle the transactions. But customers must use the MB Financial branch at 2251 Plum Grove in Palatine, Ill., to access those funds.

Unlike Platinum Community, MB Financial agreed to purchase the assets and deposits of Illinois' other failed bank, InBank. MB Financial receives InBank's \$212 million in assets and \$199 million in deposits, and customers' funds are automatically rolled over to the new institution.

The three branches of InBank will open as normal on Sat., Sept. 5, as new MB Financial outlets. Customers can continue using their debit cards and writing checks as normal.

In the West, the assets and deposits of First State Bank of Flagstaff, Ariz., were sold off to Sunwest Bank, based in Tustin, Calif. All First State customers -- totaling \$95 million in deposits -- automatically become new Sunwest clients.

This is the third bank failure in Arizona this year. The last institution to go under was Union Bank in Gilbert, on Aug. 14, 2009.

Check writing privileges and debit card transactions will continue as normal through the weekend. On Tuesday, all six branches of First State will reopen as outposts of Sunwest Bank.

In the Midwest, Vantus Bank, in Sioux City, became Iowa's first bank to fail in 2009. It had been nearly a decade since the state faced a bank closure.

Great Southern Bank of Springfield, Mo., is assuming Vantus' \$368 million in deposits. It will take a few weeks for Great Southern to finalize the transaction, but until then customers can continue using the existing branches of Vantus as well as write checks and use their debit cards. Great Southern is also managing Vantus' \$458 million in assets until it can sell them off later.

Customers of First Bank of Kansas City, in Kansas City, Mo., can now call Great American Bank of De Soto, Kan., their financial home. When the bank was closed on Friday, it became Missouri's second failure of 2009. When the sole branch of First Bank reopens on Saturday, it will be an outpost of Great American Bank. Customers can continue writing checks and using their debit cards as normal.

Great American Bank bought the banks' \$16 million in assets and approximately \$15 million in deposits.

The FDIC estimates that these five bank failures will cost the Deposit Insurance Fund a total of \$401.3 million.

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