



NEWS RELEASE

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**FDIC CREATES A DEPOSIT INSURANCE NATIONAL BANK
TO FACILITATE THE RESOLUTION OF NEW FRONTIER BANK,
GREELEY, COLORADO
*Bank of the West to provide temporary operational management***

New Frontier Bank, Greeley, Colorado, was closed today by the State Bank Commissioner, by Order of the Banking Board of the Colorado Division of Banking, which then appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC created the Deposit Insurance National Bank of Greeley (DINB), which will remain open for approximately 30 days to allow depositors time to open accounts at other insured institutions. At the time of closing, the receiver immediately transferred to the DINB all insured deposits of New Frontier, except for brokered deposits, certificates of deposit (CDs) and individual retirement accounts (IRAs). The receiver also transferred to the DINB all secured public unit deposits. Under the FDI Act, the FDIC may create a deposit insurance national bank to ensure that depositors have continued access to their insured funds where no other bank has agreed to assume the insured deposits.

Bank of the West, San Francisco, California, was contracted by the FDIC to provide operational management of the DINB. The main office and two branches of New Frontier will open on Monday, April 13, 2009. Banking activities, such as direct deposit and writing checks, ATM and debit cards, can continue normally for former customers of New Frontier during the 30-day transition period. It is also important to note that New Frontier official checks will continue to clear and will be issued to customers closing accounts.

All insured depositors of New Frontier are encouraged to transfer their insured funds to other banks. They may do so by asking their new bank to electronically transfer their deposits from the DINB or by writing checks for the amount in their accounts.

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The FDIC will mail checks at the end of the transition period to the address of record for depositors who have not closed or transferred their accounts during the transition period.

Brokered deposits, CDs and IRAs are not a part of this transaction. The FDIC will mail checks to non-brokered deposit customers. The FDIC will pay the brokered deposits directly to the brokers for the amount of their insured funds. Customers with brokered deposits should contact their brokers directly for information concerning their money.

The FDIC created the DINB to permit uninterrupted service for customers with checking and NOW accounts. This arrangement allows for uninterrupted direct deposits and automated payments from customers' accounts and allows them time to find another institution with which to do business.

As of March 24, 2009, New Frontier had total assets of \$2.0 billion and total deposits of about \$1.5 billion. At the time of closing, there were approximately \$150 million in insured deposits and \$4 million in deposits that potentially exceeded the insurance limits. Uninsured deposits were not transferred to the DINB. This amount is an estimate that is likely to change once the FDIC obtains additional information from these customers.

Customers with accounts in excess of \$250,000 should contact the FDIC toll-free at 1-800-830-4705 to set up an appointment to discuss their deposits. This phone number will be operational this evening until 9 p.m., 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 who would like more information on today's transaction should visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/newfrontier.html>.

Beginning Monday, depositors of New Frontier with more than \$250,000 at the bank may visit the FDIC's Web page "Is My Account Fully Insured?" at <http://www2.fdic.gov/dip/Index.asp> to determine their insurance coverage.

The FDIC as receiver will retain all the assets from New Frontier for later disposition. Loan customers should continue to make their payments as usual.

The cost to the FDIC's Deposit Insurance Fund is estimated to be \$670 million. New Frontier is the twenty-third bank to fail this year and the second in Colorado. The last bank to be closed in the state was Colorado National Bank, Colorado Springs, on March 20, 2009.

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's 8,305 banks and savings associations and it promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars – insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-53-2009**