



New Mexico Regulation and Licensing Department

FINANCIAL INSTITUTIONS DIVISION

Toney Anaya Building ▪ 2550 Cerrillos Road ▪ Santa Fe, New Mexico 87505
(505) 476-4885 ▪ Fax (505) 476-4670 ▪ www.rld.state.nm.us/fid

Bill Richardson
GOVERNOR

Kelly O'Donnell, Ph.D.
SUPERINTENDENT

Julie Ann Meade
DEPUTY
SUPERINTENDENT

Randall Cherry
CHIEF GENERAL
COUNSEL

William J. Verant
DIRECTOR

EMBARGOED UNTIL 5:00 P.M.

June 25, 2010

For more information:

William J. Verant

Cell Phone: (505) 699-4262

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

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.

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

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 First American Bank to expand its services into Albuquerque and the middle Rio Grande Valley, consumers will benefit from its competitive bank products and services".

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 9:00 p.m., Mountain Daylight Time (MDT); on Saturday from 9:00 a.m. to 6:00 p.m., MDT; on Sunday from noon to 6:00 p.m., MDT; and thereafter from 8:00 a.m. to 8:00 p.m., MDT. Interested parties also can visit the FDIC's Web site at <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.

###