

Business as usual at local TierOne bank

Written by Elizabeth Barrett
Wednesday, 09 June 2010 21:31 -



Great Western Bank buys TierOne after regulators close it.

TierOne Bank in Gothenburg was closed Friday and reopened Monday as Great Western Bank.

Federal regulators closed the Lincoln-based TierOne Bank Friday afternoon.

The Federal Deposit Insurance Corp. (FDIC) was appointed receiver of the local bank and 58 other branch banks across Nebraska, nine in Iowa and one in Kansas until TierOne was sold to Great Western.

Tier One had crumbled under real estate and construction lending problems which represents what is said to be the largest Nebraska-based bank to fail since the FDIC was formed in 1934.

Colin Anderson, Great Western Bank regional president for Nebraska, said it was business as usual at the Gothenburg facility as well as the other branches purchased.

“You can use your checks, Internet banking, debit and ATM cards and we can lend again in communities where people are provided a safe location for deposits,” he said.

Anderson said he wasn't aware of any changes planned at the Gothenburg branch, noting that he'd visited the branch and community when Great Western was trying to buy 32 TierOne banks in Nebraska and Iowa several months ago.

“We're taking our time to assess them,” he said.

Business as usual at local TierOne bank

Written by Elizabeth Barrett
Wednesday, 09 June 2010 21:31 -

Anderson acknowledged that all TierOne employees lost their jobs when it was closed by federal regulators.

“We’re in the process of having those employees reapply for their positions,” he said.

At the Gothenburg branch Tuesday, the bank’s two employees—office supervisor Sue Davis of North Platte and retail banker Tiffany Weber of Brady—continued working in their positions.

According to a press release issued by Great Western Bank, the acquisition includes all of TierOne’s approximately \$1.9 billion in deposits and \$1.9 in loans of which \$1.7 is covered under a loss share agreement.

The agreement states that the FDIC will absorb 80% of credit losses from loan portfolio and related assets.

“We’re excited to bring TierOne customers into the Great Western family,” said president and CEO Jeff Erickson. “Great Western has a long heritage of strong and prudent banking practices that will benefit the TierOne customer base.”

Great Western Bank is based in Sioux Falls, SD.

More information about the acquisition and/or Great Western Bank is available at www.fdic.gov/news or www.greatwesternbank.com.

ebarrett@gothenburgtimes.com 308-537-3636