

**New South Federal Savings Bank
Irondale, AL
Question and Answer Guide**

**FDIC Call Center Number
1-800-423-6395**

FDIC Call Center Hours of Operation – Central Time
Friday, December 18, 2009: Until 9:00 p.m.
Saturday, December 19, 2009: 9:00 a.m. – 6:00 p.m.
Sunday, December 20, 2009: 12:00 p.m. – 6:00 p.m.
Thereafter: 8:00 a.m. – 8:00 p.m.

NOTE: Due to the Christmas Holiday, the FDIC Call Center will not be operational between the hours of 3 p.m., Thursday, December 24, 2009 and 9 a.m., Monday, December 28, 2009.

On Friday, December 18, 2009, New South Federal Savings Bank, Irondale, AL, was closed by the Office of Thrift Supervision. This includes the Internet services that operated under the name of Umbrella Bank. The Federal Deposit Insurance Corporation (FDIC) was then named Receiver. Subsequent to the closure, Beal Bank, Plano, TX acquired substantially all the deposits and assets of New South Federal Savings Bank from the FDIC as Receiver for New South Federal Savings Bank. Any claims by equity holders were not acquired.

The total balance in your account(s) has been transferred to Beal Bank and will be available for transactions during regular business hours at the former office of the New South Federal Savings Bank starting on Monday, December 21, 2009.

You may continue to use your same checks, ATM Cards and Debit Cards until notified.

All Direct Deposits, including Social Security Checks, will continue as usual.

1. Account(s): What about my account(s)?
2. ATM/debit card and/or Billpay: What about my ATM/Debit Card/Billpay account?
3. Brokered Deposits: I am a deposit broker or have brokered deposits. What do I do?
4. Direct Deposits - Government Deposits: Will my direct deposits continue?
5. Existing Deposits at Beal Bank: Am I still insured with deposits in both banks?
6. Interest Rates, Early Withdrawal Penalty: Will I continue to earn interest at my existing rate? Will there be an early withdrawal penalty?
7. Loans/mortgages: What about my loan or mortgage?
8. Loans in Process: What if I had a loan in process?
9. Media: I represent a media outlet and would like to speak to a representative.
10. Outstanding Checks: What about checks that have not yet cleared my account?
11. Safe Deposit Boxes: What about my safe deposit box?
12. Shareholders: What about my stock?
13. Transaction Types: All Deposit Transfer versus Insured Deposit Transfer?
14. Unpaid Bills: I did some work for the bank and have not been paid. What should I do?

1. What about my account with New South Federal Savings Bank?

If you had an account with New South Federal Savings Bank, you now have an account with Beal Bank, Plano, TX. All deposit accounts, which include checking, savings, money market, CDs and retirement accounts, have been transferred to Beal Bank, regardless of the dollar amount. No one lost any money on deposit in New South Federal Savings Bank.

Customers of both banks should continue to use their existing branches until Beal Bank can fully integrate the deposit records of New South Federal Savings Bank.

To forewarn you of any scams, please be advised that you will not receive any e-mail notification from the FDIC, the Receiver, or Beal Bank to claim/unlock/unsuspend your account or to provide any private information. Please be watchful for and resist any such scams to obtain information from you by individuals or entities purporting to act on behalf of New South Federal Savings Bank, Beal Bank, or the FDIC.

2. What about my ATM/Debit Card and/or bill paying with New South Federal Savings Bank?

Your ATM/debit card will continue to work, and bill paying will work as it has in the past.

3. I am a deposit broker or have brokered deposits. What do I do?

As an **All-Deposit Transfer** transaction, the total of all deposit accounts, including the Cede & Co brokered deposits, have been assumed by Beal Bank.

Be advised, however, that from and after the date of closing, Beal Bank will accrue and pay interest on deposit liabilities at a rate it shall determine; accordingly, Beal Bank shall permit depositors, including brokered depositors, impacted by reduced rates to withdraw their deposits without penalty for early withdrawal.

If you are a customer who has a New South Federal Savings Bank deposit through a broker, you **must** contact your broker with any questions.

4. What will happen to my direct deposits?

Direct Deposits, including Social Security Checks, will continue as normal.

5. I already have other deposit accounts with the new bank. When combined with balances at this bank, my deposits exceed \$250,000. Are all funds insured?

The accounts transferred to Beal Bank will be separately insured for at least six months after the merger. This grace period gives a depositor the opportunity to restructure the accounts, if necessary.

CDs from the failed bank are separately insured until the earliest maturity date after the end of the six-month grace period.

CDs that mature during the six-month period and are renewed for the same term and in the same dollar amount (either with or without accrued interest) continue to be separately insured until the first maturity date after the six-month period.

If a CD matures during the six-month grace period and is renewed on any other basis, it would be separately insured only until the end of the six-month grace period.

6. Will I continue to earn interest at the same rate? Will I be charged an early withdrawal penalty?

Interest on all deposits accrued through Friday, December 18, 2009, will be paid at your same rate. Beal Bank will review rates and notify you if interest rates will change. Your interest rate may be reduced.

You may withdraw funds from any transferred account without an early withdrawal penalty until you enter into a new deposit agreement with your new bank. Entering into a new deposit agreement can be done by either renewing your CD or making a deposit to or a withdrawal from your account.

7. What about my loan or mortgage with New South Federal Savings Bank?

All mortgages and loans have been assumed by Beal Bank. Your payment amount and due date are the same. If you are having your payment deducted from your account, it will continue as it has in the past. You should continue to make your checks payable to New South Federal Savings Bank and send your payments to the same address.

8. What happens if I had a loan in process that had not closed or a line of credit not fully funded?

You should contact your loan officer. All prior contacts remain the same.

9. I represent a TV/Newspaper/Radio and would like some information.

Contact:

LaJuan Williams-Dickerson
202-898-3876 (Office)
lwilliams-dickerson@fdic.gov

10. What about checks that I have written on my account with New South Federal Savings Bank?

Your checks will clear up to the available balance in your account. You can continue to use your existing checks.

11. How can I claim the contents of my safe deposit box?

It is business as usual. You can go to the branch office and access your safe deposit box; however, no action on your part is required because of this transaction.

12. What about my shares of stock?

All shares of New South Federal Savings Bank were owned by its holding company, New South Bancshares, Inc., Birmingham, AL. The holding company was not included in the closing of the bank or the resulting receivership. **If you are a shareholder of New South Bancshares, Inc., please do not contact or file a claim with the Receiver. You may contact New South Bancshares, Inc., directly for information as follows:**

New South Bancshares, Inc.
210 Automation Way
Birmingham, AL 35210

13. Why do all deposits, insured or not, pass in some transactions but not in others?

The FDIC is required by law to employ the least-cost resolution measure for each failed financial institution. The most frequent result had been for the FDIC to transfer only the insured deposits in a Purchase and Assumption transaction; however, the temporary increase in the deposit insurance limit has assisted in the transfer of all deposits more often in the past year

14. I did some work for the bank and have not been paid. What should I do?

All claims against New South Federal Savings Bank, together with proof of the claims, must be submitted in writing to the Receiver at the following address:

FDIC as Receiver for New South Federal Savings Bank
1601 Bryan Street
Dallas, TX 75201
Attention: Claims Agent