



NEWS RELEASE

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JOINT REGULATORY TEAMS ASSUME OVERSIGHT OF FOUR TROUBLED SAVINGS INSTITUTIONS

Joint regulatory teams today began overseeing the operation of four troubled savings institutions, a move intended to help conserve the institutions' assets and preserve banking services to their deposit and loan customers until a permanent resolution of the institutions' problems can be developed. Basic customer services will not change, and all insured deposits will continue to be protected.

The Federal Savings and Loan Insurance Corporation (FSLIC) appointed the FDIC conservator for these institutions as part of a new interagency program announced February 6 by President Bush to help develop solutions for FSLIC's inventory of insolvent savings and loan associations. Other regulatory participants in this interagency initiative are the Federal Home Loan Bank Board, the Office of the Comptroller of the Currency and the Federal Reserve Board.

The institutions whose operations are now under regulatory oversight are:

- o Baltimore Federal Financial, FSA, Baltimore, Maryland.
Assets: \$1.7 billion.
Deposits: \$1.2 billion in 296,958 accounts.
- o Freedom Savings and Loan Association, A Federal Savings and Loan Association, Tampa, Florida.
Assets: \$1.5 billion.
Deposits: \$1.1 billion in 158,522 accounts.
- o Pacific Savings Bank, Costa Mesa, California.
Assets: \$1.1 billion.
Deposits: \$1.0 billion in 49,343 accounts.
- o Gill S.A., Hondo, Texas.
Assets: \$1.3 billion.
Deposits: \$1.5 billion in 66,258 accounts.

(more)

These institutions will continue normal operations while federal regulators determine the extent of their financial difficulties and formulate a permanent plan for an orderly resolution of their problems. Each thrift's existing employees will continue to conduct day-to-day operations.

The conservator's objectives are to minimize operating losses, limit growth, eliminate speculative activities and terminate waste, fraud and insider abuse if they are occurring at these thrift institutions. In addition, the regulators will evaluate alternatives for a cost-effective resolution of each thrift's problems and recommend the proper course of action to be taken when funding for this permanent solution becomes available.

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