



## NEWS RELEASE

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### FDIC IN NAMED MANAGING AGENT OF TWO PHOENIX SAVINGS AND LOAN ASSOCIATIONS

The Federal Deposit Insurance Corporation (FDIC) today was named managing agent by the Federal Savings and Loan Insurance Corporation (FSLIC) for two additional savings and loan institutions under the joint regulatory oversight program announced by President George Bush in February. A total of 223 savings and loans, located in 32 states, are now enrolled in the program.

Western Savings and Loan Association and Sun State Savings and Loan Association, both of Phoenix, Arizona, were placed into receivership and conservatorship today by the Federal Home Loan Bank Board, which named the FSLIC receiver. The FSLIC transferred all deposits, offices and certain liabilities to two newly created federal mutual associations. They are: Western Savings and Loan Association, F.A., and Sun State Savings and Loan Association, F.S.A.

Following issuance of the new mutual thrift charters, the FSLIC designated the FDIC managing agent for both institutions. The two institutions brought under FDIC management today, like the other thrifts in the program, will maintain normal operations and all depositors will continue to be protected up to the \$100,000 insurance limit.

The Bank Board said today's action was taken to conserve the associations' assets. The receivership relieves the ongoing institutions of any subordinated debt obligations. The two new institutions also did not assume any obligations to stockholders of the insolvent thrifts.

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The joint regulatory oversight teams headed up by the FDIC also include staff from the Bank Board, the FSLIC, the Office of the Comptroller of the Currency and the Federal Reserve System.

As with the 221 institutions previously enrolled in the program, the teams will work to minimize operating losses, limit growth and ensure that operations are conducted in a safe and sound manner. In the joint regulatory program, the federal regulators work to conserve assets and preserve banking services to deposit and loan customers until Congress approves funding to structure a permanent resolution to the institutions' problems.

On April 30, 1989, Western Savings had \$5.78 billion in assets, \$5.99 billion in non-deposit liabilities and \$4.1 billion in 465,990 deposit accounts. It had a regulatory capital deficit of \$85.8 million as of May 31, 1989. Sun State Savings had \$1.06 billion in assets, \$1.09 billion in non-deposit liabilities and \$890 million in 43,421 deposit accounts. It had a regulatory capital deficit of \$2.72 million as of April 30, 1989.

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