

# RTC REVIEW

## JANUARY 1990

L. William Seidman, Chairman

David C. Cooke, Executive Director

- \* **RTC Adds 32 Institutions to Conservatorship Program and Resolves 5 Cases in January**
- \* **January Asset Sales Top \$1.7 Billion**
- \* **Cash Outlays for Resolutions, Funding Replacement, Liquidity Advances Total \$22 Billion**
- \* **RTC Releases Real Estate Asset Inventory**

### JANUARY CONSERVATORSHIP CASELOAD

At the beginning of 1990, there were 281 institutions operating in the conservatorship program. Collectively, these savings associations had pre-conservatorship gross assets with a book value of \$128.1 billion. RTC managing agents had downsized these conservatorship institutions during 1989 through the sale of assets, payments and maturities. By January 1, gross assets in conservatorship totaled \$105.9 billion.

During January, 32 institutions were taken into conservatorship. These institutions increased the RTC's conservatorship responsibilities by \$26.0 billion in assets and \$27.5 billion in liabilities, including \$21.4 billion in 2.7 million deposit accounts.

In January the RTC reduced its conservatorship caseload by 5 institutions through resolution transactions. The institutions involved held \$1.8 billion in gross assets and \$2.4 billion in liabilities including \$1.8 billion in 155,000 deposit accounts. These transactions increased the RTC's resolution total to 42.

Resolutions through January included 10 purchase and assumption transactions in which all deposits, certain liabilities and a significant portion of assets were sold to another party. The remaining 32 resolutions were accomplished by liquidation transactions. In RTC liquidations depositors are paid the full amount of their insured funds either by the RTC through a direct cash payment or by an acquiring institution which serves as the RTC's paying agent.

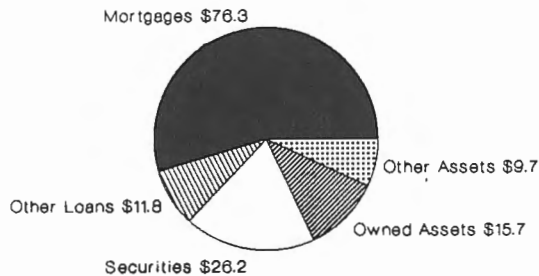
## RTC January Caseload (\\$ in billions)

	Number	Assets	Liabilities	Deposits
End of December	281	\$105.9	\$118.7	\$90.2
New Conservatorships	32	\$26.0	\$27.5	\$21.4
Cases Resolved	5	\$1.8	\$2.4	\$1.8
End of January	308	\$130.1	\$143.8	\$109.8

(financial data based on 12/31/89 reports)

### CONSERVATORSHIP, RECEIVERSHIP ASSETS UNDER RTC MANAGEMENT as of January 31, 1990

(\\$ in billions)



Conservatorship (308), Receivership (42)

### ASSET SALES AND COLLECTIONS FROM CONSERVATORSHIPS

Prior to January 1, 1990, the RTC's conservatorships, including the 37 institutions resolved in 1989, collected a total of \$1.2 billion from real estate asset sales and \$13.4 billion from other assets. Non-sale collections from payments and maturities totalled \$9.9 billion.

RTC conservatorships around the country consummated asset sales of over \$1.4 billion in January 1990. These sale proceeds constitute over 1% of the \$130.1 billion in gross assets held by RTC conservatorships as of January 31.

January conservatorship asset sales included \$1.0 billion in securities, \$112 million in loans, \$170 million of real estate owned and \$114

million of other assets. In addition to sales, RTC conservatorships collected \$1.3 billion from payments and maturities.

### RESOLUTION TRANSACTIONS AND RECEIVERSHIP COLLECTIONS

During 1989 the RTC sold a total of \$2.7 billion in assets to acquirers of its 37 resolved thrifts. These sales represented approximately 25% of the assets held by the 37 thrifts resolved prior to 1990. Assets sold included \$0.4 billion in securities, \$1.9 billion in loans and \$0.4 billion in other assets.

As part of the 5 resolutions during January, the RTC sold \$266 million in assets, representing about 15% of assets held by the thrifts involved. Assets sold included \$30 million in securities, \$218 million in loans and \$19 million in other assets.

These resolutions added five new receiverships to the 37 receiverships established in 1989. As of January 1, 1990, the RTC had \$7.9 billion in receivership gross assets. The five receiverships completed during the month added \$1.6 billion in assets, bringing total gross assets in receivership to \$9.5 billion as of January 31.

Prior to January 1, 1990, the RTC's 37 receiverships collected a total of \$214 million in sales and principal collections which included \$48 million from securities, \$133 million from loans, and \$34 million from other assets. Interest collections from payments and maturities totalled \$33 million.

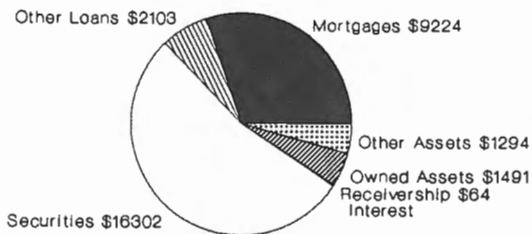
In the month of January, the RTC received a total of \$44 million in sales and principal collections from its 42 receiverships and received \$30 million in interest payments. Receivership sales and principal collections for January included \$6 million from securities, \$28 million from loans, and \$10 million from other assets.

# ASSET COLLECTIONS

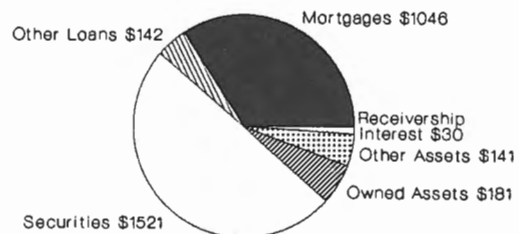
## CONSERVATORSHIPS, RESOLUTIONS, AND RECEIVERSHIPS

### SALES AND COLLECTIONS

**INCEPTION THROUGH JANUARY 1990**  
(\$ in millions)



**JANUARY 1990**  
(\$ in millions)



#### CONSERVATORSHIPS SALES PROCEEDS

(\$ in millions)

##### Inception through January 1990

	Total	E	C	SW	W
Mortgages	\$1,722	\$311	\$466	\$605	\$339
Other Loans	\$349	\$135	\$26	\$86	\$102
Securities	\$12,033	\$2,116	\$1,608	\$2,493	\$5,817
Owned Assets	\$1,369	\$210	\$202	\$543	\$413
Other Assets	\$529	\$117	\$107	\$168	\$138
<b>TOTALS</b>	<b>\$16,003</b>	<b>\$2,889</b>	<b>\$2,409</b>	<b>\$3,896</b>	<b>\$6,809</b>

#### CONSERVATORSHIPS SALES PROCEEDS

(\$ in millions)

##### January 1990

	Total	E	C	SW	W
Mortgages	\$100	\$24	\$20	\$47	\$9
Other Loans	\$12	\$2	\$2	\$8	\$0
Securities	\$1,029	\$279	\$83	\$98	\$569
Owned Assets	\$170	\$79	\$8	\$57	\$26
Other Assets	\$114	\$25	\$24	\$57	\$8
<b>TOTALS</b>	<b>\$1,426</b>	<b>\$410</b>	<b>\$137</b>	<b>\$267</b>	<b>\$612</b>

#### CONSERVATORSHIPS: Other Collections

(\$ in millions)

##### Inception through January 1990

	Total	E	C	SW	W
Mortgages	\$5,559	\$1,435	\$621	\$1,069	\$2,434
Other Loans	\$1,416	\$439	\$242	\$450	\$284
Securities	\$3,825	\$489	\$681	\$1,410	\$1,246
Owned Assets	\$99	\$38	\$5	\$47	\$9
Other Assets	\$279	\$27	\$151	\$87	\$14
<b>TOTALS</b>	<b>\$11,178</b>	<b>\$2,428</b>	<b>\$1,700</b>	<b>\$3,063</b>	<b>\$3,987</b>

#### CONSERVATORSHIPS: Other Collections

(\$ in millions)

##### January 1990

	Total	E	C	SW	W
Mortgages	\$709	\$284	\$53	\$168	\$204
Other Loans	\$121	\$41	\$18	\$40	\$22
Securities	\$456	\$111	\$89	\$197	\$59
Owned Assets	\$1	\$0	\$0	\$1	\$0
Other Assets	\$7	\$4	\$0	\$3	\$0
<b>TOTALS</b>	<b>\$1,294</b>	<b>\$441</b>	<b>\$160</b>	<b>\$408</b>	<b>\$285</b>

\* By RTC Region

RESOLUTIONS AND RECEIVERSHIPS SALES AND COLLECTIONS (\$ in millions) Inception through January 1990						RESOLUTIONS AND RECEIVERSHIPS SALES AND COLLECTIONS (\$ in millions) January 1990					
	Total	E	C	SW	W		Total	E	C	SW	W
Mortgages	\$1,942	\$779	\$24	\$309	\$811	Mortgages	\$237	\$4	\$1	\$10	\$221
Other Loans	\$338	\$122	\$4	\$168	\$44	Other Loans	\$8	\$2	\$1	\$5	\$0
Securities	\$444	\$236	\$29	\$20	\$159	Securities	\$36	\$1	\$6	\$3	\$26
Owned Assets	\$24	\$4	\$2	\$12	\$6	Owned Assets	\$9	\$1	\$1	\$7	\$0
Other Assets	\$486	\$217	\$14	\$182	\$73	Other Assets	\$20	\$0	\$1	\$1	\$17
Interest	\$64	\$14	\$8	\$33	\$8	Interest	\$30	\$3	\$2	\$25	\$1
TOTALS	\$3,298	\$1392	\$82	\$725	\$1,100	TOTAL	\$341	\$12	\$13	\$51	\$265

## RTC's MAJOR SALES

On January 31, 1990, the RTC's owned real estate asset inventory exceeded \$15.7 billion. Other assets managed by the RTC included \$26.2 billion in securities and \$88.1 billion in loans.

The RTC has been very successful at marketing and selling assets through its conservatorship institutions. During its first 5 months, August through December 1989, the RTC sold \$14.6 billion in assets from conservatorships. That success rate continued into January with the RTC registering \$1.4 billion of sales for that month alone.

The RTC began 1990 with a string of successes, including the following sales:

- \* Gill Savings of San Antonio, Texas, sold the Greentree Apartments in Houston. This 18-building apartment complex was sold for a price of \$5.8 million--\$1.2 million above book value.
- \* In Austin, Texas, the RTC sold 17.83 acres of land for \$2.1 million. The property had been appraised at approximately \$1.7 million.

Some of the biggest sales of 1989 included:

- \* Zia Vista Apartments, a 199-unit apartment complex in Santa Fe, New Mexico, sold for \$8.1 million, a full \$900,000 above book value. RTC personnel

at Murray Federal Savings & Loan of Dallas, Texas, completed this sale in August.

- \* In August the RTC also sold the Huntington Apartments in College Station, Texas, for \$6.2 million. This apartment complex sold for \$300,000 above book value. It was owned by Spring Branch Savings & Loan Association of Houston, Texas.
- \* In October, Bright Banc of Dallas, Texas, sold the 5000 Quorum office building in Dallas, for \$9.2 million. This sale price was \$2.8 million below its book value.

Asset sales reported from conservatorships also include over \$25.8 million in bulk loan sales and more than \$33.6 million in mortgage backed securities sold directly from conservatorship institutions. RTC receiverships reported \$341 million in proceeds from asset sales, loan pay-offs and maturities.

## SOURCES AND USES OF FUNDS

The RTC obtained funds from three sources between August 9, 1989, and January 31, 1990: \$18.8 billion in Treasury appropriations, \$1.2 billion in Federal Home Loan Bank contributions and Resolution Funding Corporation borrowings of \$4.5 billion.

The 42 resolutions consummated through the end of January required estimated outlays from the RTC of \$11.5 billion. The RTC also

advanced \$10.5 billion to conservatorship institutions as part of its high cost funds replacement program and emergency liquidity loans. These advances provided conservatorships with a source of funds for replacing high cost deposits as they matured. Over 150 institutions were participating in the funds replacement program as of January 31.

The RTC carried approximately \$2.5 billion into February to fund resolutions.

SOURCES AND USES OF FUNDS (\$ in billions) Inception through January 1990	
SOURCES:	
Treasury Appropriation	\$18.8
FHLB Contribution	\$1.2
REFCORP Borrowings	\$4.5
<b>TOTAL SOURCES</b>	<b>\$24.5</b>
USES:	
Resolutions	\$11.5
Advances	\$10.5
<b>TOTAL USES</b>	<b>\$22.0</b>
<b>NET FUNDS AVAILABLE*</b>	<b>\$2.5</b>

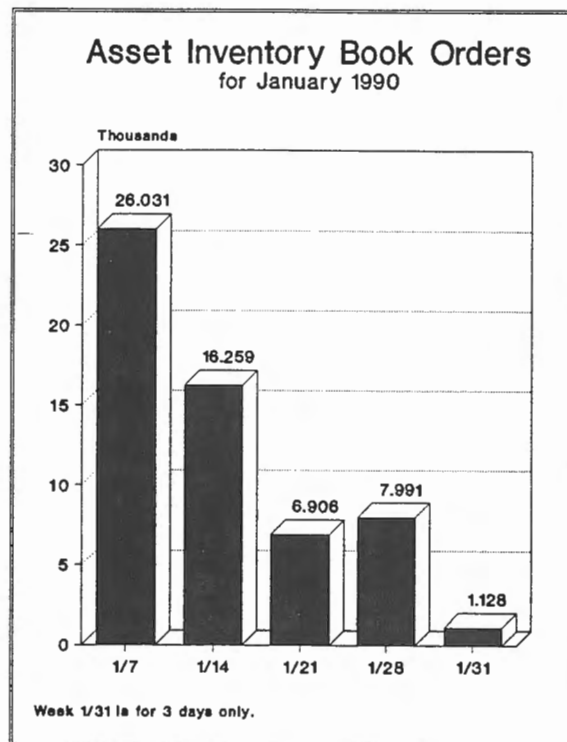
\* Includes funds for corporate administrative expenses.

## JANUARY NEWS NOTES

### RTC RELEASES ASSET INVENTORY

On January 2, 1990, the RTC released its first real estate asset inventory. Sales topped 26,000 in the first week alone, and exceeded 60,000 inventories by the end of January.

The four-volume set lists over 30,000 pieces of property ranging from highly affordable manufactured homes to multi-million dollar hotels, golf courses and resort properties. The cost for the entire inventory set is \$50, which covers printing and shipping. Orders can be placed by calling 1-800-431-0600.



### S&Ls SCHEDULED FOR SALE

A total of 52 S&Ls were advertised for sale, increasing the number of institutions in the resolution pipeline to 70. Information on sales can be obtained by calling 202-416-4316 or 1-800-RTC-4033.

### KEY POLICIES ADOPTED IN JANUARY

Resolution of Minority-Owned Institutions

Minority and Women Outreach Program

These and all other RTC policy statements are available from the RTC Communications office at (202)416-2130.