

RTC REVIEW FEBRUARY 1990

L. William Seidman, Chairman

David C. Cooke, Executive Director

- * **RTC Adds 32 Institutions To Conservatorship Program And Resolves 7 Cases In February**
- * **February Asset Sales Hit \$4.1 Billion**
- * **Cash Outlays For Resolutions, Funding Replacement, Liquidity Advances Total \$24.3 Billion**
- * **RTC And Federal Financing Bank Sign Working Capital Agreement**

FEBRUARY CONSERVATORSHIP CASELOAD

On February 1, 1990, there were 308 institutions operating in the conservatorship program. Collectively, these savings associations had gross assets of \$130.1 billion as of December 31, 1989.

During February, 32 institutions were taken into conservatorship. These institutions increased the RTC's conservatorship responsibilities by \$47.8 billion in assets and \$45.8 billion in liabilities, including \$31.5 billion in 2.4 million deposit accounts.

In February, the RTC reduced its conservatorship caseload by seven institutions

through resolution transactions. The institutions involved held \$5.2 billion in gross assets and \$5.9 billion in liabilities, including \$3.8 million in approximately 406,000 deposit accounts. These transactions increased the RTC's resolution total to 49.

Resolutions in February included five purchase and assumption transactions in which all deposits, certain liabilities and a significant portion of other assets were sold to another party. The remaining two 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 February Caseload

(\$ in billions)

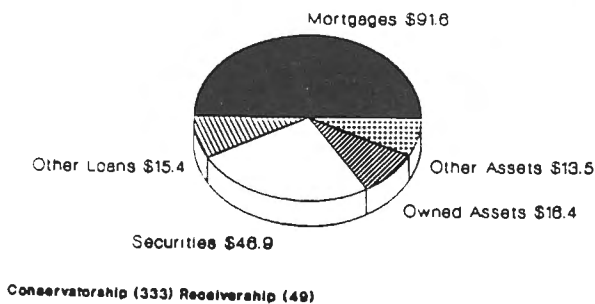
	Number	Assets	Liabilities	Deposits
End of January	308	\$ 130.1	\$ 143.8	\$ 109.8
New Conservatorships	32	47.8	45.8	31.5
Resolved Cases	7	5.2	5.9	3.8
End of February	333	\$ 172.7	\$ 183.7	\$ 137.5

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

CONSERVATORSHIP, RECEIVERSHIP ASSETS UNDER RTC MANAGEMENT

as of February 28, 1990

(\$ in billions)



ASSET SALES AND COLLECTIONS FROM CONSERVATORSHIPS

Prior to February 1, 1990, the RTC's conservatorships, including the 37 conservatorship institutions resolved in 1989, collected a total of \$1.4 billion from real estate asset sales and \$14.6 billion from other assets. Non-sale collections from payments and maturities totaled \$11.2 billion.

RTC conservatorships around the country consummated asset sales of over \$1.9 billion in February 1990. These sale proceeds constitute over 1% of the \$172.7 billion in gross assets held by the 333 RTC conservatorships as of February 28.

February conservatorship asset sales included \$1.4 billion in securities, \$236 million in loans, \$196 million of real estate owned and

\$35 million of other assets. In addition to sales, RTC conservatorships collected \$1.8 billion from loan payments and maturities.

RESOLUTION TRANSACTIONS AND RECEIVERSHIP COLLECTIONS

During 1989 and January 1990, the RTC sold a total of \$3.0 billion in assets to acquirers of its 42 resolved thrifts. These sales represented approximately 24% of the assets held by the 42 thrifts resolved prior to February 1, 1990. Assets sold included \$0.4 billion in securities, \$2.1 billion in loans and \$0.5 billion in other assets.

As part of the seven resolutions during February, the RTC sold \$2.2 billion in assets, representing 58% of assets held by the thrifts involved. Assets sold included \$0.6 billion in securities, \$1.5 billion in loans and \$0.1 billion in other assets.

These resolutions added seven new receiverships to the 42 receiverships established before February 1, 1990. At the beginning of February 1990, the RTC had \$9.5 billion in receivership gross assets. The seven receiverships established during the month added \$1.6 billion in assets, bringing total gross assets in receivership to \$11.1 billion as of February 28.

Prior to February 1, 1990, the RTC's 42 receiverships collected a total of \$259 million in sales and principal collections which included \$54 million from securities, \$160 million from loans, and \$44 million from other assets. Interest collections from payments and maturities totaled \$64 million.

In the month of February, the RTC received a total of \$121 million in sales and principal collections from its 49 receiverships and received \$47 million in interest payments. Receivership sales and principal collections for February included \$20 million from securities, \$74 million from loans, \$22 million

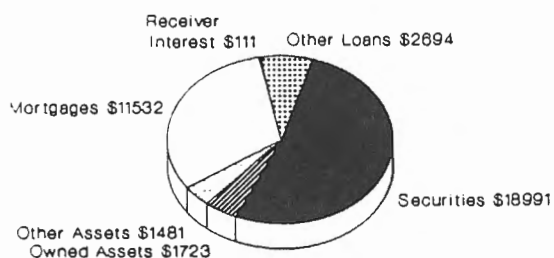
Continued on page 4

ASSET COLLECTIONS

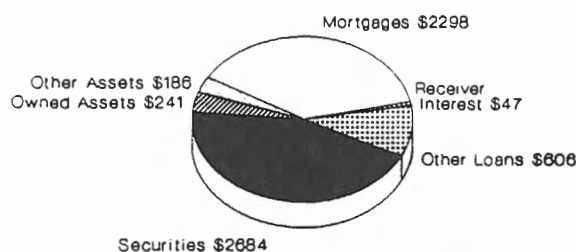
CONSERVATORSHIPS, RESOLUTIONS, AND RECEIVERSHIPS

SALES AND COLLECTIONS

INCEPTION 1989 THROUGH FEBRUARY 1990
(\$ in millions)



FEBRUARY 1990
(\$ in millions)



CONSERVATORSHIPS SALES PROCEEDS

(\$ in millions)

Inception through February 1990

	Total	E	C	SW	W
Mortgages	\$ 1,928	\$ 350	\$ 512	\$ 632	\$ 434
Other Loans	364	123	43	96	102
Securities	13,436	2,682	1,935	2,585	6,235
Owned Assets	1,564	237	213	613	501
Other Assets	561	146	111	166	139
TOTALS	\$17,853	\$3,537	\$2,814	\$4,092	\$7,411

CONSERVATORSHIPS SALES PROCEEDS

(\$ in millions)

February 1990

	Total	E	C	SW	W
Mortgages	\$ 206	\$ 38	\$ 46	\$ 27	\$ 95
Other Loans	30	2	17	10	0
Securities	1,402	564	327	93	418
Owned Assets	196	28	11	70	88
Other Assets	35	29	4	1	1
TOTALS	\$1,869	\$ 661	\$ 406	\$ 201	\$ 602

CONSERVATORSHIPS: OTHER COLLECTIONS

(\$ in millions)

Inception through February 1990

	Total	E	C	SW	W
Mortgages	\$ 6,282	\$1,719	\$ 723	\$1,167	\$2,673
Other Loans	1,829	686	278	497	369
Securities	4,465	669	916	1,501	1,378
Owned Assets	111	44	16	40	11
Other Assets	306	33	155	91	27
TOTALS	\$12,994	\$3,152	\$2,088	\$3,296	\$4,458

CONSERVATORSHIPS: OTHER COLLECTIONS

(\$ in millions)

February 1990

	Total	E	C	SW	W
Mortgages	\$ 713	\$ 286	\$ 103	\$ 95	\$ 228
Other Loans	413	243	36	47	87
Securities	636	180	236	92	128
Owned Assets	21	6	12	0	3
Other Assets	24	3	5	4	13
TOTALS	\$1,807	\$ 719	\$ 391	\$ 239	\$ 459

* By RTC Region

Continued from page 2

from real estate owned, and \$5 million from other assets.

By the end of February, the RTC had received almost \$5.7 billion from its resolutions and receivership asset sales and collections, including approximately \$1.1 billion from securities, \$3.8 billion from loans, \$48 million from real estate owned and \$724 million in other asset sales and collections, including interest.

RESOLUTIONS AND RECEIVERSHIPS SALES AND COLLECTIONS (\$ in millions) Inception through February 1990					
	Total	E	C	SW	W
Mortgages	\$ 3,322	\$ 831	\$ 477	\$1,151	\$ 864
Other Loans	501	124	17	312	48
Securities	1,090	243	69	595	183
Owned Assets	48	16	5	18	9
Other Assets	613	219	25	287	83
Interest	111	44	11	45	11
TOTALS	\$ 5,685	\$1,477	\$ 603	\$2,407	\$1,198

RESOLUTIONS AND RECEIVERSHIPS SALES AND COLLECTIONS (\$ in millions) February 1990					
	Total	E	C	SW	W
Mortgages	\$ 1,380	\$ 32	\$ 453	\$ 842	\$ 53
Other Loans	163	2	13	143	4
Securities	646	7	40	575	24
Owned Assets	24	12	3	6	3
Other Assets	127	2	10	105	11
Interest	47	29	2	12	3
TOTALS	\$2,387	\$ 85	\$ 521	\$1,682	\$ 98

RTC's MAJOR SALES

On February 28, 1990, the RTC's owned real estate asset inventory totaled \$16.4 billion. Other assets managed by the RTC included \$46.9 billion in securities, \$91.6 billion in mortgages, \$15.4 billion in other loans and \$13.5 billion in other assets.

In its first seven months the RTC has compiled an impressive record of selling over \$17

billion in assets through its conservatorship institutions. That success rate continued into February with the RTC registering \$1.9 billion of sales for that month alone.

Many of the RTC's successes have been in selling real estate owned properties from the conservatorships and receiverships. Some of the highlights of the RTC's February real estate asset sales include the following:

- * City Federal Savings & Loan Association in Birmingham, Alabama, sold a 240-unit apartment complex in Clearwater, Florida, for \$7.6 million--91% of its appraised value.
- * The Biltmore Commerce Center was sold for \$26 million by Western Savings and Loan Association, Phoenix, Arizona. The Biltmore, a 283,000-square foot Phoenix office building, was sold for \$4.4 million above its appraised value.
- * Platte Valley Savings of Gehring, Nebraska, reported the sale of a neighborhood retail mall in Lafayette, Colorado. The mall sold for \$2.4 million, \$100,000 above its appraised value.
- * Bexar Savings Association, San Antonio, Texas, sold a manufacturing warehouse on Coliseum Road in San Antonio. The warehouse, which was appraised at \$1.9 million, sold for \$2 million.
- * Alamo Federal Savings & Loan of Texas, San Antonio, Texas, sold a Houston office building for \$1.85 million. The 76,000-square foot office building, which sits on 2.5 acres of land, had an appraised value of \$1.85 million.
- * Anchor Federal Savings & Loan, Leawood, Kansas, reported the sale of the KCC Wingfield apartment complex in Olathe, Kansas, for \$2.25 million. This 130-unit apartment complex, which boasts 10 tennis courts, had an appraised value of \$2.5 million.

Preliminary asset sales reported from conservatorships also include over \$906 million in mortgage-backed securities sold directly from conservatorship institutions. In February, RTC receiverships reported \$2.4 billion in proceeds from asset sales, including assets sold to acquirers, loan pay-offs, maturities and interest income.

SOURCES AND USES OF FUNDS

The RTC obtained funds from three sources between August 9, 1989, and February 28, 1990: \$18.8 billion in Treasury appropriations, \$1.2 billion in Federal Home Loan Bank contributions and Resolution Funding Corporation borrowings of \$9.5 billion.

The 49 resolutions consummated through the end of February required estimated outlays from the RTC of \$14.5 billion. The RTC also advanced \$9.9 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 February 28.

The RTC carried approximately \$5.2 billion into March to fund resolutions.

SOURCES AND USES OF FUNDS	
(\$ in billions)	
Inception through February 1990	
SOURCES:	
Treasury Appropriation	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	<u>9.5</u>
TOTAL SOURCES	\$ <u>29.5</u>
USES:	
Resolutions	\$ 14.5
Advances	<u>9.9</u>
TOTAL USES	\$ <u>24.3</u>
NET FUNDS AVAILABLE*	\$ 5.2

* Includes Funds For Corporate Administrative Expenses.

FEBRUARY NEWS NOTES

RTC AND FEDERAL FINANCING BANK SIGN WORKING CAPITAL AGREEMENT

The Federal Financing Bank (FFB) and the RTC signed an agreement providing for future borrowings on a quarterly basis in amounts and for uses approved by the RTC Oversight Board. Under the agreement the RTC must certify that the monies to be advanced would not violate the obligation cap established in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

As the first advance under this agreement, the FFB has made \$11 billion in working capital available to the RTC for use during the first quarter of 1990. Of this \$11 billion, the RTC will use \$8 billion to resolve institutions, and will use up to \$3 billion replacing high-cost funds in savings associations operating in the RTC's conservatorship program.

KEY POLICIES ADOPTED IN FEBRUARY

Employee Responsibilities and Conduct Regulations (Final Policy)

Contractor Ethics Regulations (Final Policy)

Procedures for Resolving Minority-Owned Institutions (Interim Policy Statement)

Minority Contracting Program (Interim Policy Statement)

These and all other RTC policy statements are available from the RTC Communications office at (202)416-2236.