

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. 1 NO. 9

September 1990

L. William Seidman, Chairman

David C. Cooke, Executive Director

- * **RTC Resolves 46 Thrifts With \$26 Billion in Assets in September, While Taking 9 New Institutions into Conservatorship**
- * **296 Thrifts Resolved by RTC From its Inception in August 1989 Through October 1990**
- * **Asset Sales and Other Collections, Net of Assets Put Back to RTC, Total \$17 Billion in September, \$110 Billion From Inception Through September**

CONSERVATORSHIP CASELOAD: ASSET INVENTORY

In September, the RTC sold or liquidated 46 savings associations. The RTC also took 9 additional institutions into its conservatorship program. As a result, the number of conservatorship institutions declined to 206 at the end of September. At its inception in August 1989, the RTC assumed control over 262 savings and loans that had previously been placed into federal conservatorship. Subsequently, the caseload reached a peak of 350 institutions on March 31, before declining as resolutions accelerated.

In the near future, the caseload may increase once again as more thrift institutions are transferred to the RTC. The Office of Thrift Supervision indicated recently that the pace of transfers of insolvent institutions judged to have little or no franchise value is expected to accelerate.

The 206 conservatorships existing on September 30 held \$91 billion in assets as of that date. Of the total, cash and securities represented 28%, performing 1-4 family mortgages 27%, other performing loans 19%, delinquent loans 8%, real estate 11%, investments in subsidiaries 3%, and other assets 5%.

Also under the RTC's jurisdiction were 287 receiverships, resulting from the resolution of thrifts since the RTC's inception, with \$51 billion in assets on September 30. (This total

RTC September Caseload (\$ in billions)

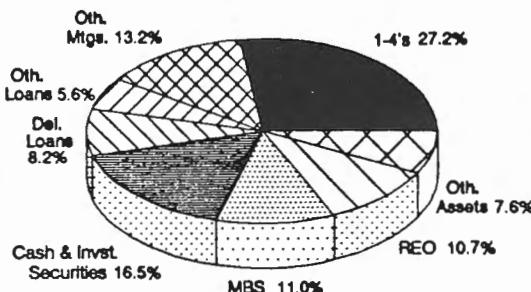
	Number	Assets	Liabilities	Deposits
End of August	243	\$118.7	\$132.3	\$95.9
New Conservatorships	9	1.7	1.8	1.6
Resolved Cases	46	25.6	29.8	24.2
End of September	206	\$90.8	\$104.4	\$73.4

Assets based on preliminary 8/31/90 and 9/30/90 financial reports.

Liabilities and Deposits based on 8/31/90 financial reports.

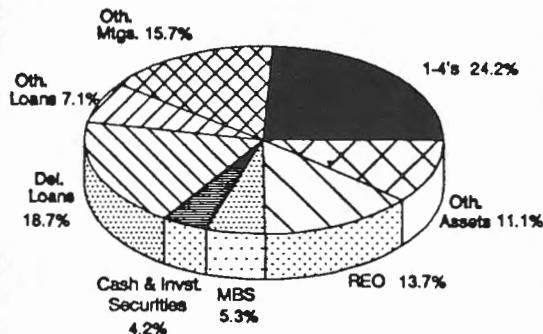
**CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT**
As of September 30, 1990

**CONSERVATORSHIPS
As of September 30, 1990**



(Percentage Of Gross Assets)

**RECEIVERSHIPS
As of September 30, 1990**



(Percentage Of Gross Assets)

**CONSERVATORSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$ 15.0	16.5%
Mtg. Backed Sec.	10.0	11.0
Perf. Lns. - Total	41.7	46.0
1-4 Family Mtgs.	24.7	27.2
Cstrn. & Land	2.1	2.3
Other Mtgs.	9.9	10.9
Oth. Loans.	5.1	5.6
Del. Lns. - Total	7.5	8.2
1-4 Family Mtgs.	0.8	0.9
Cstrn. & Land	3.6	4.0
Oth Mtgs.	2.0	2.2
Oth. Loans.	1.1	1.2
Real Estate Owned	9.7	10.7
Subsidiaries	2.6	2.9
Other Assets	4.3	4.7
Gross Assets	\$ 90.8 *	100.0 %

Data based on preliminary 9/30/90 information
Number of institutions: 206

* Includes assets of one institution partially resolved
in September 1990.

**RECEIVERSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec. *	\$ 2.2	4.2%
Mtg. Backed Sec.	2.7	5.3
Perf. Lns. - Total	24.2	47.1
1-4 Family Mtgs.	12.4	24.2
Cstrn. & Land	1.5	2.9
Other Mtgs.	6.6	12.8
Oth. Loans.	3.7	7.1
Del. Lns. - Total	9.6	18.7
1-4 Family Mtgs.	1.2	2.4
Cstrn. & Land	2.5	4.8
Oth Mtgs.	3.3	6.5
Oth. Loans.	2.6	5.0
Real Estate Owned	7.0	13.7
Subsidiaries	1.6	3.1
Other Assets	4.1	8.0
Gross Assets	\$ 51.4	100.0 %

Data based on preliminary 9/30/90 information
Number of institutions: 267

* Excludes \$4.0 billion in cash and cash-equivalents
accumulated from receivership collections.

excludes approximately \$4 billion in cash and cash equivalents accumulated from receivership collections.) Reflecting the sale of relatively marketable assets while the institutions were in conservatorship or at their resolution, a large proportion of the assets retained by the RTC at resolution consisted of lower quality, less marketable assets. Thus, real estate and delinquent loans represented 32% of the \$51 billion in receivership assets. All assets other than cash, securities, and performing 1-4 family mortgages represented 66% of total receivership assets.

The total inventory of assets managed by the RTC, including both conservatorships and receiverships, amounted to \$142 billion on September 30. This included \$30 billion in securities, \$37 billion in performing 1-4 family mortgages, \$29 billion in other performing loans, \$17 billion in delinquent loans, \$17 billion in real estate, \$4 billion in subsidiaries, and \$8 billion in other assets.

RESOLUTIONS

The 46 institutions resolved in September held \$26 billion in assets. In terms of both number and assets, this represented a substantial increase from the pace of recent months.

From its inception in August 1989 through September 1990, the RTC resolved 287 thrifts with \$92 billion in assets. Of the total, \$34 billion of assets, or 37%, were sold to acquirers, after taking into account assets returned thus far to the RTC under put back provisions of resolution transactions. Additional assets may be returned to the RTC in future months. At the end of September, assets subject to put totalled \$13 billion, net of puts previously exercised or expired.

Estimated resolution costs for the 287 cases totalled \$32.3 billion, 30% of the total liabilities of the resolved thrifts. The cost that would have been incurred if the insured

deposits of all 287 institutions had been paid out to depositors would have been \$33.8 billion. The \$1.5 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. These savings were equal to 2.42% of core deposits, represented by deposits with balances below \$80,000.

The characteristics of the 287 resolutions are further detailed below:

Transaction Type. Of the total number of cases, 146 were purchase and assumption transactions (P&As), in which all deposits, certain other liabilities, and a portion of the assets were sold to acquirers. Another 108 were insured deposit transfers (IDTs), in which the acquiring institutions served as paying agents for the RTC, established accounts on their books for the insured deposits of the failed institutions, and frequently acquired some of their assets. The remaining 33 were insured deposit payouts.

Generally, the most attractive franchises were resolved through P&As, as indicated by the fact that acquirers paid substantially higher premiums over insured deposit payout costs than in IDTs (2.81% vs. .58%). Institutions resolved through P&As also were larger, on average, than those resolved through IDTs or paid out. P&As represented 83% of the total assets of all 287 resolved institutions.

Type of Acquirer. Banks acquired 174 of the 287 resolved institutions, while thrifts acquired 80. The remaining 33 were resolved through insured deposit payouts.

Thrift Size. Most of the resolved thrifts were relatively small, with 80% having less than \$250 million in assets. However, the resolutions did include 20 institutions with \$1 billion or more in assets.

Location. Resolutions were geographically concentrated, generally in line with the

**Resolution Trust Corporation
Characteristics of 287 Resolutions
Inception to September 30, 1990
(Dollars in Billions)**

Type of Acquirer *	Number		Size of Resolved Institution (Assets)	Number	
	of Cases	Total Assets		of Cases	Total Assets
Bank	174	\$54.9	\$1 Billion or more	20	\$56.8
Thrift	80	34.5	\$500 to 999 Million	14	10.0
TOTAL--Acquirers	254	89.4	\$250 to 499 Million	23	8.2
Payouts	33	2.9	Under \$250 Million	230	17.3
TOTAL	287	\$92.3	TOTAL	287	\$92.3

Location of Resolved Institution	Number		Number of Bids Received	Number	
	of Cases	Total Assets		of Cases	Total Assets
Texas	60	\$17.4	5 or more bids	56	\$23.9
California	31	11.6	4 bids	34	20.7
Louisiana	22	1.5	3 bids	52	12.4
Illinois	22	3.1	2 bids	53	18.4
Florida	14	9.2	1 bid	64	14.0
Kansas	14	2.9	No bids	28	2.9
Colorado	13	2.1			
Other	111	44.5			
TOTAL	287	\$92.3	TOTAL	287	\$92.3

Percentage of Assets Passed to Acquirers***	Number		Savings over Deposit Payout Costs as % of Core Deposits **	Number	
	of Cases	Total Assets		of Cases	Total Assets
75% or more	58	\$10.3	5% or more	25	\$11.0
50 to 74.9%	28	17.2	3 to 4.9%	23	30.8
25 to 49.9%	49	30.0	1 to 2.9%	72	23.1
Under 25%	152	34.8	Under 1%	167	27.4
TOTAL	287	\$92.3	TOTAL	287	\$92.3

Estimated Resolution Cost as a % of Liabilities	Number	
	of Cases	Total Assets
60% or more	35	\$5.0
40 to 59.9%	61	10.7
20 to 39.9%	102	48.8
Under 20%	89	27.8
TOTAL	287	\$92.3

* Branch sales involving multiple acquirers are classified according to the insurance status of the majority of acquirers.

** Core deposits are estimated as deposits with balances below \$80,000.

*** Assets passed are net of putbacks.

Note: Assets and estimated cost data reflect post-closing revisions. Data exclude asset and cost figures for one institution partially resolved in September 1990.

**Resolution Trust Corporation
Characteristics of 80 Resolutions
Third Quarter 1990
(Dollars in Billions)**

Type of Acquirer *	Number of Cases		Size of Resolved Institution (Assets)	Number of Cases	
	Total	Assets		Total	Assets
Bank	44	\$18.7	\$1 Billion or more	7	\$20.0
Thrift	25	9.7	\$500 to 999 Million	1	0.6
TOTAL--Acquirers	69	28.4	\$250 to 499 Million	11	4.1
Payouts	11	1.3	Under \$250 Million	61	5.0
TOTAL	80	\$29.7	TOTAL	80	\$29.7

Location of Resolved Institution	Number of Cases		Number of Bids Received	Number of Cases	
	Total	Assets		Total	Assets
Texas	14	\$1.4	5 or more bids	18	\$9.7
Illinois	9	1.5	4 bids	11	5.4
Louisiana	7	0.5	3 bids	16	4.5
California	6	2.8	2 bids	13	7.5
Oklahoma	5	1.3	1 bid	15	2.0
Other	39	22.2	No bids	7	0.6
TOTAL	80	\$29.7	TOTAL	80	\$29.7

Percentage of Assets Passed to Acquirers***	Number of Cases		Savings over Deposit Payout Costs as % of Core Deposits **	Number of Cases	
	Total	Assets		Total	Assets
75% or more	23	\$7.1	5% or more	10	\$2.4
50 to 74.9%	8	7.9	3 to 4.9%	8	9.4
25 to 49.9%	13	3.3	1 to 2.9%	22	9.5
Under 25%	36	11.4	Under 1%	40	8.4
TOTAL	80	\$29.7	TOTAL	80	\$29.7

Estimated Resolution Cost as a % of Liabilities	Number of Cases	
	Total	Assets
60% or more	9	\$0.5
40 to 59.9%	11	1.5
20 to 39.9%	24	15.8
Under 20%	36	11.9
TOTAL	80	\$29.7

* Branch sales involving multiple acquirers are classified according to the insurance status of the majority of acquirers.

** Core deposits are estimated as deposits with balances below \$80,000.

*** Assets passed are net of putbacks.

Note: Assets and estimated cost data reflect post-closing revisions. Data exclude asset and cost figures for one institution partially resolved in September 1990.

regional pattern of troubled institutions in the savings and loan industry as a whole. Of the total 287 resolved thrifits, nearly one-half were in four states -- Texas, California, Louisiana, and Illinois.

Assets Sold to Acquirers. In the aggregate, 37% of the assets held by resolved institutions were sold to acquirers of the institutions. This figure is net of assets put back to the RTC thus far, although additional assets may be returned before existing put back provisions expire. In 152 cases, less than 25% was passed to acquirers, while in 58 the proportion was more than 75%.

Number of Bids. The number of bids received in the 287 resolutions varied considerably from no bids in 28 cases to five or more in 56 cases.

Savings Over Deposit Payout Costs. Estimated savings over the cost of paying out insured deposits were less than 1% of core deposits in 167 cases, but considerably higher in a minority of resolutions, such as purchase and assumption transactions involving relatively large institutions.

Estimated Resolution Costs. Estimated resolution costs were 30% of total liabilities in the aggregate, less than 40% in the majority of resolutions, but considerably higher in a minority of cases.

Of the 287 thrifits resolved from inception through September, 80 were resolved in the third quarter. The characteristics of these 80 resolutions differed in some respects from those since inception. For the 80 cases, the proportion of assets sold to acquirers at resolution was higher (47% vs. 37%), estimated savings over insured deposit payout costs were somewhat lower (2.21% vs. 2.42%), and estimated resolution costs were lower in relation to liabilities (23% vs 30%).

In October, further transactions raised to 296 the number of resolutions from inception through the end of the month. These included 150 purchase and assumption transactions, 108 insured deposit transfers, and 38 insured deposit payouts.

ASSET REDUCTIONS

In September, the proceeds of asset sales and other collections amounted to \$17 billion, net of assets put back to the RTC. This included sales and collections in conservatorship institutions, assets passed to acquirers of resolved thrifits, and sales and collections in receivership. September sales and collections were substantially above the August level, primarily because of the increased number and aggregate assets of resolved thrifits, and the resulting rise in the volume of assets passed to acquirers at resolution.

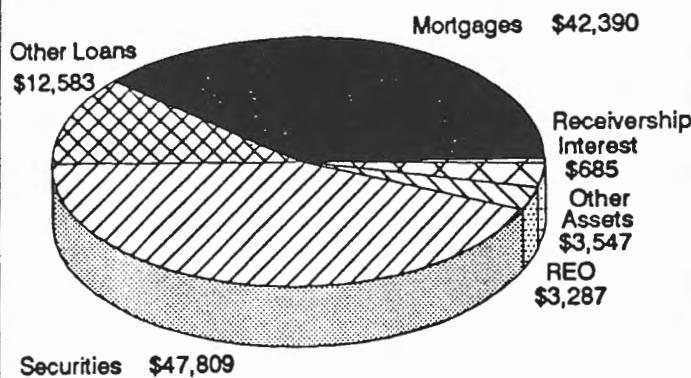
September activity brought total sales and collections since inception to \$110 billion, net of putbacks to date. As noted earlier, additional assets may be returned to the RTC under unexpired putback provisions of resolution transactions.

The \$110 billion represented 44% of the total assets of all 493 institutions taken over by the RTC at the time they came under its control. The comparable figure for the 287 resolved institutions was considerably higher -- 61% -- reflecting the volume of assets passed at resolution. For the 206 conservatorships existing on September 30, sales and collections from inception through September represented 26% of beginning assets.

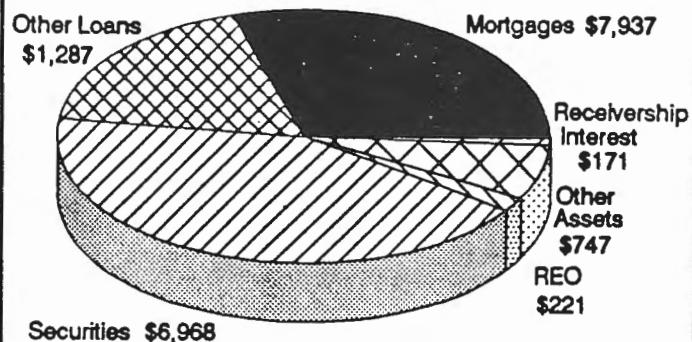
September sales and collections of \$17.3 billion included \$2.8 billion in sales proceeds from conservatorships, \$2.3 billion in other conservatorship asset collections, \$9.1 billion in resolution sales net of putbacks, and \$3.1 billion in receivership sales and collections. Since its inception, the RTC disposed of \$38 billion through conservatorship sales, \$31 bil-

ASSET COLLECTIONS
CONSERVATORSHIPS, RESOLUTIONS AND RECEIVERSHIPS
SALES AND COLLECTIONS

INCEPTION 1989 THROUGH SEPTEMBER 1990
(\$ in millions)



SEPTEMBER 1990
(\$ in millions)



**CONSERVATORSHIPS, RESOLUTIONS,
AND RECEIVERSHIPS
SALES AND COLLECTIONS**
(\$ in millions)
Inception through September 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$47,809	\$16,786	\$8,753	\$7,058	\$15,212
Mortgages	42,380	15,571	6,731	6,413	13,673
Other Loans	12,583	5,563	2,542	1,455	3,022
REO	3,287	483	486	1,287	1,062
Other Assets	3,547	1,090	640	1,059	757
Rec. Interest	685	215	99	304	87
TOTALS	\$110,301	\$39,708	\$19,251	\$17,571	\$33,784

**CONSERVATORSHIPS, RESOLUTIONS,
AND RECEIVERSHIPS
SALES AND COLLECTIONS**
(\$ in millions)
September 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$8,968	\$4,125	\$550	\$528	\$1,784
Mortgages	7,937	5,427	1,208	366	935
Other Loans	1,287	822	159	42	265
REO	221	34	25	84	78
Other Assets	747	392	75	154	126
Rec. Interest	171	61	27	87	18
TOTALS	\$17,329	\$10,880	\$2,044	\$1,241	\$3,188

Note: Data for Inception through September 1990 incorporate revisions of figures for period prior to September 1990.

Data are by RTC region.

ASSET COLLECTIONS

CONSERVATORSHIPS, RESOLUTIONS AND RECEIVERSHIPS

SALES AND COLLECTIONS

CONSERVATORSHIP SALES PROCEEDS (\$ in millions) Inception through September 1990						CONSERVATORSHIP SALES PROCEEDS (\$ in millions) September 1990					
	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>		<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$25,991	\$7,553	\$4,751	\$3,927	\$9,780	Securities	\$1,476	\$637	\$151	\$128	\$560
Mortgages	5,462	1,725	1,011	1,111	1,615	Mortgages	701	420	62	30	189
Other Loans	2,948	1,542	1,118	110	176	Other Loans	403	372	0	1	31
REO	2,873	383	439	1,067	983	REO	153	25	15	39	73
Other Assets	<u>1,032</u>	<u>350</u>	<u>239</u>	<u>246</u>	<u>197</u>	Other Assets	<u>86</u>	<u>59</u>	<u>2</u>	<u>1</u>	<u>24</u>
TOTALS	\$38,304	\$11,553	\$7,559	\$6,461	\$12,731	TOTALS	\$2,819	\$1,512	\$230	\$199	\$878
CONSERVATORSHIPS: OTHER COLLECTIONS (\$ in millions) Inception through September 1990						CONSERVATORSHIPS: OTHER COLLECTIONS (\$ in millions) September 1990					
	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>		<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$12,270	\$4,688	\$2,903	\$1,497	\$3,182	Securities	\$1,398	\$1,030	\$180	\$71	\$136
Mortgages	13,409	4,233	1,857	2,035	5,283	Mortgages	623	272	72	74	205
Other Loans	5,101	2,103	1,047	739	1,211	Other Loans	236	115	23	21	77
REO	87	39	19	25	5	REO	2	1	0	1	0
Other Assets	<u>410</u>	<u>78</u>	<u>151</u>	<u>133</u>	<u>47</u>	Other Assets	<u>38</u>	<u>13</u>	<u>2</u>	<u>21</u>	<u>3</u>
TOTALS	\$31,276	\$11,142	\$5,976	\$4,431	\$9,728	TOTALS	\$2,297	\$1,431	\$257	\$187	\$422
RESOLUTION SALES: NET OF PUTBACKS (\$ in millions) Inception through September 1990						RESOLUTION SALES: NET OF PUTBACKS (\$ in millions) September 1990					
	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>		<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$7,080	\$2,714	\$797	\$1,491	\$2,078	Securities	\$2,399	\$977	\$171	\$272	\$978
Mortgages	21,145	8,136	3,602	2,965	6,441	Mortgages	5,710	4,057	991	233	428
Other Loans	4,082	1,713	298	456	1,615	Other Loans	545	296	88	9	152
REO	57	20	3	0	35	REO	10	0	0	11	0
Other Assets	<u>1,562</u>	<u>500</u>	<u>198</u>	<u>498</u>	<u>368</u>	Other Assets	<u>408</u>	<u>183</u>	<u>66</u>	<u>64</u>	<u>92</u>
TOTALS	\$33,927	\$13,082	\$4,898	\$5,411	\$10,536	TOTALS	\$9,069	\$5,512	\$1,317	\$590	\$1,651
RECEIVERSHIP SALES & COLLECTIONS (\$ in millions) Inception through September 1990						RECEIVERSHIP SALES & COLLECTIONS (\$ in millions) September 1990					
	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>		<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$2,468	\$1,831	\$302	\$143	\$192	Securities	\$1,095	\$1,481	\$68	\$57	\$90
Mortgages	2,374	1,477	261	302	334	Mortgages	903	678	83	28	113
Other Loans	454	205	79	150	20	Other Loans	103	39	48	11	5
REO	270	41	26	175	29	REO	56	8	10	33	5
Other Assets	<u>543</u>	<u>162</u>	<u>52</u>	<u>182</u>	<u>147</u>	Other Assets	<u>217</u>	<u>137</u>	<u>5</u>	<u>68</u>	<u>7</u>
Rec. Interest	<u>685</u>	<u>215</u>	<u>99</u>	<u>304</u>	<u>67</u>	Rec. Interest	<u>171</u>	<u>61</u>	<u>27</u>	<u>67</u>	<u>16</u>
TOTALS	\$8,794	\$3,931	\$819	\$1,268	\$789	TOTALS	\$3,144	\$2,404	\$240	\$265	\$236

lion in other conservatorship collections, \$34 billion in net resolution sales, and \$7 billion in receivership sales and collections.

Broken down by broad asset categories, September asset reductions included \$7.9 billion in securities, \$7.0 billion in mortgages, and \$1.3 billion in other loans. From inception through September, the RTC disposed of \$47.8 billion in securities, \$42.4 billion in mortgages, \$12.6 billion in nonmortgage loans, \$3.3 billion in real estate, and \$3.5 billion in other assets.

MAJOR ASSET SALES

Asset sales in September included a variety of specific assets: land, office buildings, and a subsidiary corporation of a conservatorship. September sales also included a substantial volume of securities.

Securities sales by the RTC totalled \$1.5 billion in the third week of September, surpassing the previous weekly record of \$1 billion. The RTC has completed in excess of \$11 billion in securities sales since March 1990, excluding securities passed at resolution.

Relocation Services, a subsidiary of Empire Federal Savings Bank, Buffalo, New York, was purchased by Coldwell Banker Relocation Management Services, Inc. Coldwell Banker paid the RTC \$22.3 million for the subsidiary and paid an outstanding obligation of Relocation Services totalling \$29.1 million, resulting in a total cash outlay of \$51.4 million. Empire Federal was resolved by the RTC on September 28, 1990.

Commercial asset sales included the following:

- * Interpark-Rankin Business Center, an 82,179 square-foot office service center located in Houston, Texas, was sold for \$1.4 million. The business center was a real estate asset owned by First South Savings Association, Port Neches, Texas,

which has been operating under federal supervision since March 16, 1989.

- * A Days Inn, a 200-room hotel located at Highway 76 West in Branson, Missouri, was sold for \$3.5 million. The hotel was owned by Savers Savings Association, Little Rock, Arkansas, which has been operating under federal supervision since February 10, 1989.
- * Synott Place Shopping Center, located in the 13000 block of Bellaire in Houston, Texas, was sold for \$1.2 million. The shopping center was owned by American Federal Savings Association of Iowa, Des Moines, Iowa, which has been operating under the supervision of the RTC since February 2, 1990.
- * Madison Office Building, a 12-story office building located on the Dallas Parkway North, in Addison, Texas, was sold for \$18 million, which was 100.2% of the building's appraised market value. The office building, which has 275,570 square feet of rentable space and a 5-story, 570-space, parking garage, was an asset retained by the RTC following the February 2, 1990 resolution of Bright Banc Savings, Dallas, Texas.

Land property sales included the following:

- * Orangewood East Development, a mixed-use development with approximately 1,300 acres located in Orange County, Florida. The development was sold for \$19.5 million, which was 103 percent of the property's appraised market value. Orangewood East was a real estate asset of a wholly owned subsidiary of Southwest Federal Savings Association, Dallas, Texas, which has been operating under the supervision of the RTC since May 18, 1990.
- * Residential lots located at the Princess Resort in Scottsdale, Arizona. The 63 lots, which average 75 by 145 feet, were sold for \$3.3 million. The properties were assets of MeraBank Federal Savings Bank, Phoenix, Arizona, which was resolved by the RTC on October 1, 1990.

Residential property sales included Towering Oaks Apartments, a 128-unit complex located on Oakdell Way in San Antonio, Texas. Towering Oaks was sold for \$3.3 million, which was 103 percent of the complex's appraised market value. The apartment complex was a real estate asset owned by Alamo

Federal Savings, San Antonio, Texas, which has been operating under the supervision of the RTC since March 2, 1990.

SOURCES AND USES OF FUNDS

From its inception to October 1, 1990, the RTC obtained funds from the following main sources: \$18.8 billion in Treasury appropriations, \$1.2 billion in Federal Home Loan Bank contributions, \$18.0 billion in Resolution Funding Corporation borrowings, and \$45.8 billion in Federal Financing Bank borrowings. The RTC also obtained \$1.1 billion in repayments on advances to conservatorships, and \$2.1 billion in dividends and repayments from receiverships.

Funds received from REFCORP, combined with the initial Treasury and FHLB contributions, will provide \$50 billion to cover losses at thrifts resolved by the RTC. Through October 1, \$38 billion in loss funds was obtained from these sources.

Working capital, obtained from the FFB, is used for the temporary funding of assets retained by the RTC when institutions are resolved. Working capital has also been used to replace high-cost liabilities and meet liquidity needs of conservatorship institutions. The RTC's outstanding borrowings and other liabilities are subject to a limitation prescribed by FIRREA.

The 287 resolutions through September 30 required outlays of \$73.9 billion from the RTC. Advances to conservatorships existing at the end of September totalled \$10.0 billion. Interest on FFB borrowings amounted to \$.9 billion. This left \$2.2 billion in cash on hand on October 1.

NEWS NOTES

RTC OPENS BID PROCESS FOR 65 SAVINGS ASSOCIATIONS

SOURCES AND USES OF FUNDS	
(\$ in billions)	
Inception through October 1, 1990	
SOURCES:	
Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	18.0
FFB Borrowings	45.8
Repayments from Conservatorships	1.1
Repayments/Dividends from Receiverships	2.1
TOTAL SOURCES	\$ 87.0
USES:	
Resolutions	\$ 73.9
Advances	10.0
FFB Interest	0.9
TOTAL USES	\$44.8
NET FUNDS AVAILABLE*	\$ 2.2

* Includes funds for administrative expenses.

The RTC has initiated the sales process for 65 savings associations, which collectively have deposits of approximately \$9.7 billion. Each of the advertised thrifts has assets or deposits of less than \$500 million. Investors interested in bidding on any of these 65 institutions should immediately contact a sales representative at their closest RTC regional office for more information.

RTC DESIGNATES 37 FIRMS AS PRE-QUALIFIED TO PROVIDE LOAN SALES, DUE DILIGENCE SERVICES

The RTC has selected its first 37 firms to take part in the agency's new initiative to pre-qualify firms seeking to provide services to the agency. Of the 37 firms, 21 have been prequalified to provide loan sales services, and 16 have been prequalified to conduct due diligence reviews of loan portfolios.

Under the prequalification program, the RTC will execute contracts for specific services as the need arises. Orders requesting the services will be sent to a group of the prequalified firms, which will then bid com-

petitively for the contract. Contracts will be awarded based on the firms' technical expertise, capacity to perform the service, and overall cost to the RTC.

The 21 loan sales contractors have been pre-qualified to counsel the RTC in evaluating, structuring, and marketing packages of performing single-family loans and/or consumer loans held by individual institutions under RTC supervision. The firms will initially be assigned the portfolios of individual receivership institutions to package loans for sale by year-end. The 16 prequalified due diligence firms will be called upon to provide information on loan quality before the RTC begins its marketing process. The information developed by these firms will be critical to the determination of representations and warranties that the RTC provides on loan packages. Buyers will rely on these representations when establishing their bid price.

The agency will add to this list of firms through other solicitations as the need arises. For more information contact Vicki Peterson, Assistant Director, Asset Marketing, at (202) 416-7366.

RTC INTRODUCES TOLL-FREE CONTRACTOR SERVICE LINE

The RTC has established a toll-free contractor service line to assist potential contractors in registering with the RTC and to provide general contracting information. The toll-free number is 1-800-541-1782. Hours of operation are 8:00 a.m. to 5:00 p.m. Eastern time.

Registration forms can be requested using the toll-free number. The service line is also

designed to handle inquiries about the status of previously filed registration forms, requests by contractors for a printout of their own information from the RTC's nationwide registration database, questions on how to revise or update registration information, and other registration-related inquiries.

RTC BOARD ACTIONS

In September the RTC Board of Directors approved the following:

- Final Report on 1988-89 FSLIC-Assisted Transactions
- Quarterly Report on Actions Taken Under Delegated Authority
- Policy on Treatment of Collateralized Letters of Credit

All RTC public documents, including RTC press releases and policy statements, are available from the RTC Reading Room at (202)416-6940. Written requests should be mailed to the RTC Reading Room, 801 17th Street, NW, Washington, DC 20434-0001.

All RTC news releases are also available through FaxMedia, a facsimile dial-up service. To access FaxMedia, interested individuals can dial (301)670-0088 from their fax machine's telephone handset. Following the voice prompts, individuals should enter "77" to select the RTC News Release Library index, which will be printed from their fax machine. To retrieve the desired news releases, individuals should redial the FaxMedia number listed above and enter the numbers of the news releases they want to receive. Users have 24-hour access to RTC news releases through FaxMedia, and are responsible for all phone charges.

Beginning Assets and Asset Reductions
Inception Through September 1990
(\$ in billions)

287 Resolved Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsidiaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$32.3	\$63.0	\$11.7	\$11.3	\$3.4	\$8.4	\$130.1
Reductions During Conservatorship							
Sales Proceeds.....	14.7	4.0	2.4	1.6	0.1	0.6	23.4
Payment & Maturities.....	4.5	7.4	2.9	0.1	0.1	0.1	15.0
Other Changes (Net) /1.....	(1.5)	0.4	(4.3)	2.1	1.4	1.2	(0.7)
Assets at Resolution.....	14.7	51.1	10.7	7.5	1.8	6.5	92.3
Resolution & Receivership Reductions							
Assets Passed (Net of Putbacks).....	7.1	21.1	4.1	0.1	0.0	1.5	33.9
Assets Retained (After Putbacks).....	7.6	29.9	6.6	7.4	1.8	5.0	58.4
Principal Collections.....	2.5	2.4	0.5	0.3	0.1	0.4	6.1
Other Changes (Net) /2.....	0.3	0.0	0.0	0.1	0.0	0.5	0.8
Receivership Assets as of September 30, 1990.....	\$4.9	\$27.5	\$6.2	\$7.0	\$1.6	\$4.1	\$51.4

206 Conservatorship Institutions /4

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsidiaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$38.6	\$54.1	\$8.8	\$9.0	\$3.8	\$6.3	\$120.6
Reductions During Conservatorship							
Sales Proceeds.....	11.3	1.4	0.5	1.2	0.0	0.3	14.9
Payment & Maturities.....	7.8	6.0	2.2	0.0	0.1	0.1	16.2
Other Changes (Net) /1.....	(5.5)	3.7	(0.2)	(2.0)	1.1	1.6	(1.3)
Conservatorship Assets as of September 30, 1990.....	\$25.0	\$43.1	\$6.1	\$9.7	\$2.6	\$4.3	\$90.8

**Beginning Assets and Asset Reductions
Inception Through September 1990
(\$ in billions)**

All 493 Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsidiaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$71.0	\$117.1	\$20.5	\$20.2	\$7.3	\$14.7	\$250.8
Reductions During Conservatorship							
Sales Proceeds.....	26.0	5.5	2.9	2.9	0.1	0.9	38.3
Payment & Maturities.....	12.3	13.4	5.1	0.1	0.2	0.2	31.3
Other Changes (Net) /1.....	(7.0)	4.1	(4.5)	0.1	2.5	2.8	(1.9)
Assets at Resolution.....	14.7	51.1	10.7	7.5	1.8	6.5	92.3
Resolution & Receivership Reductions							
Assets Passed (Net of Putbacks).....	7.1	21.1	4.1	0.1	0.0	1.5	33.9
Assets Retained (After Putbacks).....	7.6	29.9	6.6	7.4	1.8	5.0	58.4
Principal Collections.....	2.5	2.4	0.5	0.3	0.1	0.4	6.1
Other Changes (Net) /2.....	0.3	0.0	0.0	0.1	0.0	0.5	0.9
Conservatorship and Receivership Assets as of September 30, 1990.....	\$29.9	\$70.6	\$12.4	\$16.7	\$4.2	\$8.4	\$142.2

/1 Includes net losses on sales, charge-offs of goodwill and certain equity investments and other assets, accumulation and investment of cash, and new loans and asset purchases.

/2 Includes asset balance adjustments and principal losses.

/3 Excludes accumulation of approximately \$4 billion of receivership cash and investments available for the payment of expenses and dividends. Includes \$.2 billion in receivership cash and cash-equivalents from resolved institutions at September 30, 1990.

/4 Includes assets of one institution partially resolved in September 1990.

Note: Data incorporate revisions of figures for period prior to September 1990.

RTC Resolutions
Inception to September 30, 1990
(dollars in millions)

Deal Type *	Number of Cases	Total Assets	Estimated Savings Over Payout Cost	Estimated Savings/ Core Deposits **	Percentage of Assets Passed***
IDT	108	\$12,353.1	\$51.0	0.58 %	15.10 %
PA	146	77,020.3	1,433.5	2.81	41.63
PO	33	2,948.8	0	0	0
Total	287	\$92,322.2	\$1,484.5	2.42 %	36.75 %

RTC Resolutions
Third Quarter 1990
(dollars in millions)

Deal Type *	Number of Cases	Total Assets	Estimated Savings Over Payout Cost	Estimated Savings/ Core Deposits **	Percentage of Assets Passed***
IDT	19	\$2,225.8	\$9.1	0.49 %	14.50 %
PA	50	26,120.6	500.7	2.45	52.16
PO	11	1,383.1	0	0	0
Total	80	\$29,729.5	\$509.8	2.21 %	46.92 %

*** Deal Type:**

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

**** Core deposits are estimated as deposits with balances below \$80,000.**

***** Assets passed are net of putbacks.**

Note: Asset and estimated cost data reflect post-closing revisions and may differ from data previously released. Data on assets, deposits, and cost exclude one institution partially resolved in September 1990.

RTC Resolutions
September 1990
(Dollars in Millions)

Institution Name / City / State	Deal Type*	Resolution Date	Acquirer Name / City / State	Total Assets	Estimated Resolution Cost	Assets Passed to Acquirer Net of Payouts	Percentage of Assets Passed
The Benj. Franklin FS&LA, Portland, OR	PA	09/07/90	Bank of America, FSB, Portland, OR	\$3,147.6	\$104.9	\$2,735.1	86.90%
FirstCentral Federal SB, Charlton, IA	PA	09/07/90	Branch Sale to various institutions	80.4	7.5	47.0	58.48%
City FS&LA, Birmingham, AL	PA	09/07/90	First Alabama Bank, Montgomery, AL	427.7	80.4	162.0	35.80%
Independence FB, FSB, Batesville, AR	IDT	09/07/90	Worthen Bank & Trust Co., N.A., Little Rock, AR	170.9	289.9	49.9	29.10%
Fairmont FSA, Fairmont, MN	PA	09/07/90	First Farmers & Merchant NB, Fairmont, MN	32.1	3.7	26.3	81.81%
Community FS&LA, Tampa, FL	PO	09/07/90	Payout	6.7	11.6	0.0	0.00%
Enterprise Federal Savings, FSA, Clearwater, FL	PA	09/07/90	Comerica Bank - Florida, FSB, Clearwater, FL	40.6	0.8	31.6	77.89%
First City FS&LA, Baton Rouge, LA	PA	09/07/90	Equitable Trust SA,LA, Baton Rouge, LA	13.6	8.7	3.2	23.70%
American Home Savings, Edmond, OK	PA	09/07/90	Founders B&TC, Oklahoma City, OK	44.6	10.4	26.3	59.01%
First FS&LA of Seminole, Seminole, OK	IDT	09/07/90	First NB&TC of Holdenville, Holdenville, OK	21.3	8.6	2.2	10.32%
Missouri SA, F.A., Clayton, MO	PA	09/07/90	Mercantile Bank of St. Louis, N.A., St. Louis, MO	428.2	94.6	374.0	87.36%
Gem City FS&LA, Quincy, IL	PA	09/07/90	Branch Sale to various institutions	183.9	19.9	176.8	91.18%
Midland Buckeye Sav., a FS&LA, Alliance, OH	PA	09/07/90	Citizens Banking Co., Salineville, OH	163.0	38.6	134.7	85.06%
Home Owners SB, FSB, Burlington, MA	PA	09/10/90	Branch Sale to various institutions	2,872.3	805.8	699.3	24.35%
MeritBank Savings Association, Houston, TX	PA	09/14/90	Kilgore FS&LA, Kilgore, TX	182.0	210.7	60.5	33.22%
French Market Homestead, FSA, Metairie, LA	IDT	09/14/90	First NB of Commerce, New Orleans, LA	165.0	81.8	12.0	7.25%
Williamsburg FS&LA, Salt Lake City, UT	PA	09/14/90	Branch Sale to various institutions	265.7	30.5	1.3	0.49%
First Network FSB, Los Angeles, CA	PO	09/14/90	Payout	384.2	130.7	0.0	0.00%
Capitol City FSA, Austin, TX	PA	09/14/90	Bank One, TX, N.A., Dallas, TX	284.5	151.2	130.1	45.73%
Great FS&LA, Kankakee, IL	IDT	09/14/90	Branch Sale to various institutions	112.6	12.9	1.5	1.33%
Community FSA, Bridgeport, CT	IDT	09/14/90	Union Trust Co., Stamford, CT	27.7	4.7	1.5	5.33%
Mercury FS&LA, Huntington Beach, CA	PA	09/14/90	Security Pacific NB, Los Angeles, CA	1,700.7	33.7	487.1	28.64%

RTC Resolutions
September 1990
(Dollars in Millions)

Institution Name / City / State	Deal Type*	Resolution Date	Acquirer Name / City / State	Total Assets	Estimated Resolution Cost	Assets Passed to Acquirer Net of Payouts	Percentage of Assets Passed
Sooner FSA, Tulsa, OK	PA	09/14/90	First Gibraltar Bank, FSB, San Antonio, TX	1,076.4	148.7	701.0	65.12%
Equity Federal FSB, Denver, CO	PO	09/14/90	Payout	0.7	1.0	0.0	0.00%
Suburban Savings Association, San Antonio, TX	PA	09/14/90	Plaza Bank, NA, San Antonio, TX	31.9	21.7	2.8	8.78%
Great American S&LA, Oak Park, IL	PA	09/21/90	Branch Sale to various Institutions*	580.0	71.8	482.5	83.18%
Metropolitan FSA&LA, Denville, NJ	PA	09/21/90	Collective FSB, Egg Harbor, NJ	141.0	12.8	138.7	98.31%
City Savings Bank, F.S.B., Somerset, NJ	PA	09/21/90	Branch Sale (Partial) ...	NA	NA	NA	NA
Heritage FSA&LA, Monroe, NC	PA	09/21/90	First Citizens B&TC, Raleigh, NC	170.2	59.3	133.5	78.47%
Midwest FSB, Minot, ND	IDT	09/21/90	Branch Sale to various Institutions*	471.5	156.6	6.3	1.33%
First SA, FA, Bismarck, ND	IDT	09/21/90	Metropolitan Federal Bank, FSB, Fargo, ND	79.8	10.9	72.6	90.86%
Caprock FSA&LA, Lubbock, TX	PO	09/21/90	Payout	341.5	299.0	0.0	0.00%
North Carolina S&LA, Charlotte, NC	PA	09/21/90	First Citizens B&TC, Raleigh, NC	458.3	48.3	58.9	12.84%
Yorkridge-Cahert FSA, Baltimore, MD	IDT	09/25/90	Household Bank FSB, Newport Beach, CA	467.5	43.9	21.0	4.68%
Seasone FSB, Richmond, VA	PA	09/26/90	Crestar Bank, Richmond, VA	143.0	47.9	110.7	77.09%
Central Savings Bank, Jackson, MS	IDT	09/26/90	Bank of Forest, Forest, MS	26.1	42.4	9.6	36.88%
First FSA&LA, New Iberia, LA	IDT	09/28/90	Iberia Savings Bank, SSB, New Iberia, LA	43.3	13.6	16.6	38.22%
Empire FSB, Buffalo, NY	PA	09/28/90	Branch Sale to various Institutions*	5,931.1	1,717.9	3,997.5	67.40%
American S&LA of Brazoria Co., Lake Jackson, TX	PO	09/28/90	Payout	162.4	216.2	0.0	0.00%
Savings of Texas Association, Jacksonville, TX	PO	09/28/90	Payout	61.2	58.6	0.0	0.00%
United FSA&LA, New Orleans, LA	IDT	09/28/90	United Bank & Trust Company, New Orleans, LA	46.8	26.7	1.8	3.81%
Security Federal SA, Richmond, VA	PA	09/28/90	Crestar Bank, Richmond, VA	221.9	41.1	126.6	56.61%
Delta S&LA, FA, Kenner, LA	IDT	09/28/90	First State B&TC, Bogalusa, LA	134.9	73.1	18.0	13.34%
Arlington Heights SA, FA, Arlington Heights, IL	PA	09/28/90	Citibank FSB, Chicago, IL	331.4	21.5	232.2	70.07%

RTC Resolutions
September 1990
(Dollars in Millions)

Institution Name / City / State	Deal Type*	Resolution Date	Acquirer Name / City / State	Total Assets	Estimated Resolution Cost	Assets Passed to Acquirer Net of Purchases	Percentage of Assets Passed
Benner Beno F&LA, Garland, TX	IDT	09/28/90	Colonial F&LA, Fort Worth, TX	33.3	19.7	10.6	31.88%
Merabank FSB, Phoenix, AZ	PA	09/28/90	Bank of America, AZ, Phoenix, AZ	3,951.2	1,020.7	680.6	17.22%
Total				\$25,641.2	\$8,342.7	\$11,974.1	46.70%
Grand Total-Inception through September 30, 1990				\$92,322.2	\$32,273.2	\$33,926.9	36.75%

NA = Not Applicable

* Deal Type:

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

** Data on assets and cost exclude City Savings FSB, Somerset, NJ, which was partially resolved in September 1990.

Note: Assets and estimated cost data reflect post-closing revisions and may differ from preliminary data previously released.