

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. I NO. 10

October 1990

L. William Seidman, Chairman

David C. Cooke, Executive Director

- * **RTC Resolves 9 Thrifts in October, While Taking 6 New Institutions into Conservatorship**
- * **332 Thrifts Resolved by RTC From its Inception in August 1989 Through November 1990**
- * **Asset Sales and Collections Total \$5.6 Billion in October, \$113 Billion, Net of Assets Put Back to RTC, Since Inception**

CONSERVATORSHIP CASELOAD: ASSET INVENTORY

In October, the RTC sold or liquidated 9 savings associations. The RTC also took 6 additional institutions into its conservatorship program. As a result, the number of conservatorship institutions declined to 203 at the end of October.

The 203 conservatorships existing on October 31 held \$86 billion in assets as of that date. Of the total, cash and securities represented 28%, performing 1-4 family mortgages 27%, other performing loans 16%, delinquent loans 11%, real estate 11%, investments in subsidiaries 3%, and other assets 5%.

Also under the RTC's jurisdiction were 296 receiverships, resulting from the resolution of thrifts since the RTC's inception, with \$55 billion in assets on October 31. (This total excludes approximately \$5 billion in cash and cash equivalents accumulated from receivership collections.) Reflecting the sale of rela-

tively 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 31% of the \$55 billion in receivership assets. All assets other than cash, securities, and performing 1-4 family mortgages represented 68% of total receivership assets.

RTC October Caseload (\$ in billions)

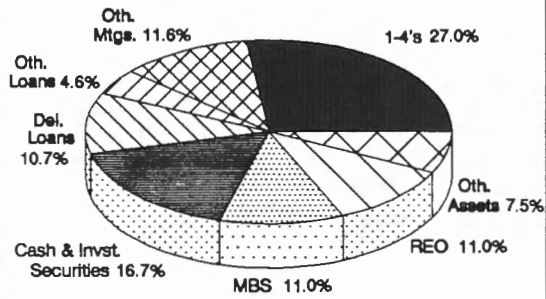
	Number	Assets	Liabilities	Deposits
End of September	206	\$90.8	\$101.1	\$70.3
New Conservatorships	6	1.6	1.5	1.3
Resolved Cases	9	2.5	3.3	2.3
End of October	203	\$ 85.6	\$99.3	\$ 69.3

Assets based on preliminary 9/30/90 and 10/31/90 financial reports.

Liabilities and Deposits based on 9/30/90 financial reports.

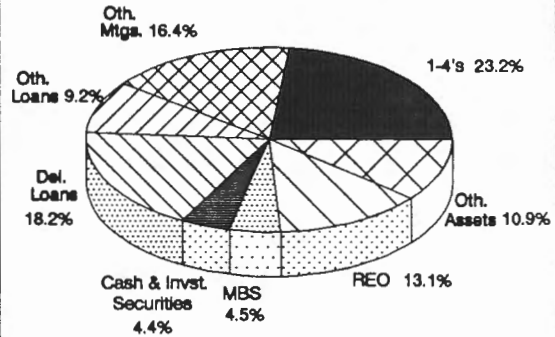
**CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT
As of October 31, 1990**

**CONSERVATORSHIPS
As of October 31, 1990**



(Percentage Of Gross Assets)

**RECEIVERSHIPS
As of October 31, 1990**



(Percentage Of Gross Assets)

**CONSERVATORSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$ 14.3	16.7%
Mtg. Backed Sec.	9.4	11.0
Perf. Lns. - Total	36.9	43.1
1-4 Family Mtgs.	23.1	27.0
Cstrn. & Land	1.4	1.6
Other Mtgs.	8.5	10.0
Oth. Loans.	3.9	4.6
Del. Lns. - Total	9.2	10.7
1-4 Family Mtgs.	0.9	1.1
Cstrn. & Land	4.1	4.8
Oth Mtgs.	2.9	3.4
Oth. Loans.	1.2	1.4
Real Estate Owned	9.4	11.0
Subsidiaries	2.2	2.6
Other Assets	4.2	4.9
Gross Assets	\$ 85.6 *	100.0%

Data based on preliminary 10/31/90 information
Number of institutions: 203

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

**RECEIVERSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec. *	\$ 2.4	4.4%
Mtg. Backed Sec.	2.5	4.5
Perf. Lns. - Total	26.9	48.8
1-4 Family Mtgs.	12.7	23.2
Cstrn. & Land	1.7	3.1
Other Mtgs.	7.4	13.4
Oth. Loans.	5.1	9.2
Del. Lns. - Total	10.0	18.2
1-4 Family Mtgs.	1.2	2.2
Cstrn. & Land	2.6	4.8
Oth Mtgs.	3.8	6.8
Oth. Loans.	2.4	4.3
Real Estate Owned	7.2	13.1
Subsidiaries	1.6	2.9
Other Assets	4.4	8.0
Gross Assets	\$ 55.0	100.0%

Data based on preliminary 10/31/90 information
Number of institutions: 296

* Excludes \$5.3 billion in cash and cash-equivalents
accumulated from receivership collections.

The total inventory of assets managed by the RTC, including both conservatorships and receiverships, amounted to \$141 billion on October 31. This included \$29 billion in securities, \$36 billion in performing 1-4 family mortgages, \$28 billion in other performing loans, \$19 billion in delinquent loans, \$17 billion in real estate, \$4 billion in subsidiaries, and \$9 billion in other assets.

RESOLUTIONS

The 9 institutions resolved in October brought the total number of resolutions to 296 from the establishment of the RTC in August 1989 through October 1990.

The 296 thrifts held \$95 billion in assets at the time of resolution. Of the total, \$32 billion of assets, or 33%, were sold to acquirers, after taking into account assets returned thus far to the RTC under putback provisions of resolution transactions. Additional assets may be returned to the RTC in future months. On November 2, assets subject to put totalled \$12 billion, net of puts previously exercised or expired.

Estimated resolution costs for the 296 cases totalled \$33.6 billion, 30% of the total liabilities of the resolved thrifts. The cost that would have been incurred if the insured deposits of all 296 institutions had been paid out to depositors would have been \$35.1 billion. The \$1.5 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. These savings were equal to 2.37% of core deposits, represented by deposits with balances below \$80,000.

In November, resolution activity accelerated as 36 institutions were sold or liquidated. This raised the total number of resolutions from inception through November 1990 to 332. These included 174 purchase and assumption transactions, in which all deposits, certain other liabilities and a portion of the assets

were sold to acquirers. Another 114 transactions were insured deposit transfers, in which the acquiring institutions served as paying agents for the RTC, established accounts on their books for the insured deposits of the failed thrifts, and, in many cases, acquired some of their assets. The remaining 44 were insured deposit payouts.

ASSET REDUCTIONS

In October, the proceeds of asset sales and other collections amounted to \$5.6 billion. This included sales and collections in conservatorship institutions, assets passed to acquirers of resolved thrifts, and sales and collections in receivership. October sales and collections were below the September level, primarily because of the temporarily reduced number of resolutions and the resulting decline in the volume of assets passed to acquirers at resolution.

October activity brought total sales and collections since inception to \$113 billion, net of putbacks to date. As noted earlier, additional assets may be returned to the RTC under unexpired putback provisions of resolution transactions.

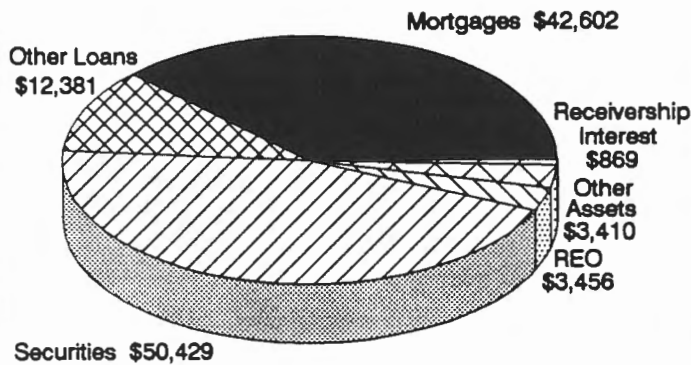
The \$113 billion represented 45% of the total assets of all 499 institutions taken over by the RTC at the time they came under its control. The comparable figure for the 296 resolved institutions was considerably higher -- 58% -- reflecting the volume of assets passed at resolution. For the 203 conservatorships existing on October 31, sales and collections from inception through October represented 29% of beginning assets.

October sales and collections of \$5.6 billion included \$2.1 billion in sales proceeds from conservatorships, \$2.0 billion in other conservatorship asset collections, \$0.2 billion in resolution sales, and \$1.3 billion in receivership sales and collections.

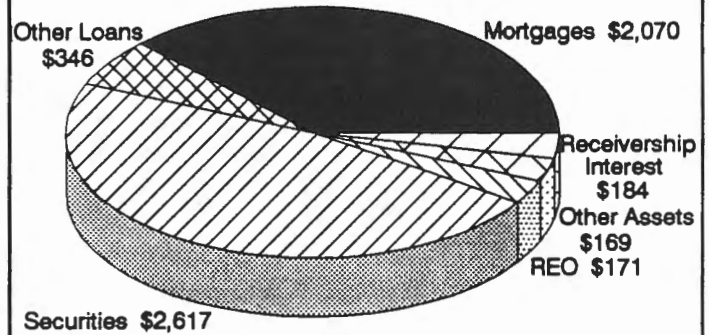
ASSET COLLECTIONS

CONSERVATORSHIPS, RESOLUTIONS AND RECEIVERSHIPS SALES AND COLLECTIONS

INCEPTION 1989 THROUGH OCTOBER 1990
(\$ in millions)



OCTOBER 1990
(\$ in millions)



**CONSERVATORSHIPS, RESOLUTIONS,
AND RECEIVERSHIPS
SALES AND COLLECTIONS
NET OF PUTBACKS**
(\$ in millions)
Inception through October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$50,429	\$18,452	\$8,910	\$7,385	\$15,682
Mortgages	42,602	15,883	6,620	6,531	13,569
Other Loans	12,381	5,746	2,442	1,497	2,696
REO	3,456	515	508	1,364	1,069
Other Assets	3,410	915	597	1,112	788
Rec. Interest	869	307	117	367	79
TOTALS	\$113,147	\$41,816	\$19,192	\$18,256	\$33,884

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

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$2,617	\$1,620	\$408	\$153	\$439
Mortgages	2,070	1,446	287	149	189
Other Loans	346	134	97	43	73
REO	171	32	25	96	17
Other Assets	169	30	43	63	34
Rec. Interest	184	91	18	63	12
TOTALS	\$5,559	\$3,351	\$877	\$568	\$763

* Negative balances reflect asset reclassifications for sales and collections made during prior periods.

Note: Data for period through inception 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 October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$27,013	\$8,107	\$4,813	\$4,186	\$9,906
Mortgages	6,375	2,525	1,069	1,157	1,824
Other Loans	3,034	1,595	1,150	110	179
REO	2,946	406	441	1,100	999
Other Assets	<u>1,088</u>	<u>375</u>	<u>240</u>	<u>276</u>	<u>198</u>
TOTALS	\$40,456	\$13,008	\$7,713	\$6,828	\$12,906

CONSERVATORSHIP SALES PROCEEDS

(\$ in millions)

October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$965	\$535	\$186	\$97	\$147
Mortgages	887	800	55	3	9
Other Loans	94	59	32	0	3
REO	80	23	9	32	16
Other Assets	<u>66</u>	<u>26</u>	<u>11</u>	<u>29</u>	<u>0</u>
TOTALS	\$2,073	\$1,443	\$293	\$162	\$176

CONSERVATORSHIPS: OTHER COLLECTIONS

(\$ in millions)

Inception through October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$13,345	\$5,447	\$2,918	\$1,552	\$3,428
Mortgages	13,923	4,468	1,859	2,125	5,471
Other Loans	5,153	2,184	923	776	1,270
REO	89	40	19	25	5
Other Assets	<u>389</u>	<u>118</u>	<u>76</u>	<u>153</u>	<u>42</u>
TOTALS	\$32,899	\$12,258	\$5,794	\$4,631	\$10,217

CONSERVATORSHIPS: OTHER COLLECTIONS

(\$ in millions)

October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$1,216	\$754	\$142	\$43	\$279
Mortgages	513	223	47	73	171
Other Loans	188	75	17	31	65
REO	1	1	0	0	0
Other Assets	<u>61</u>	<u>40</u>	<u>1</u>	<u>15</u>	<u>6</u>
TOTALS	\$1,980	\$1,092	\$206	\$162	\$520

RESOLUTION SALES: NET OF PUTBACKS

(\$ in millions)

Inception through October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$7,190	\$2,736	\$820	\$1,491	\$2,143
Mortgages	19,398	6,990	3,404	2,874	6,131
Other Loans	3,697	1,762	263	450	1,222
REO	61	20	6	0	35
Other Assets	<u>1,360</u>	<u>295</u>	<u>210</u>	<u>482</u>	<u>373</u>
TOTALS	\$31,706	\$11,802	\$4,703	\$5,297	\$9,904

RESOLUTION SALES

(\$ in millions)

October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$23	\$0	\$23	\$0	\$0
Mortgages	158	0	158	0	0
Other Loans	21	0	21	0	0
REO	0	0	0	0	0
Other Assets	<u>12</u>	<u>0</u>	<u>12</u>	<u>0</u>	<u>0</u>
TOTALS	\$214	\$0	\$214	\$0	\$0

RECEIVERSHIP SALES & COLLECTIONS

(\$ in millions)

Inception through October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$2,881	\$2,162	\$359	\$156	\$205
Mortgages	2,906	1,900	288	375	343
Other Loans	497	205	106	161	25
REO	360	49	42	239	30
Other Assets	573	127	71	201	175
Rec. Interest	<u>869</u>	<u>307</u>	<u>117</u>	<u>367</u>	<u>79</u>
TOTALS	\$8,086	\$4,748	\$982	\$1,499	\$857

RECEIVERSHIP SALES & COLLECTIONS *

(\$ in millions)

October 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$413	\$331	\$57	\$13	\$13
Mortgages	532	423	27	73	9
Other Loans	43	0	27	12	5
REO	90	8	16	64	1
Other Assets	30	(36)	19	19	28
Rec. Interest	<u>184</u>	<u>91</u>	<u>18</u>	<u>63</u>	<u>12</u>
TOTALS	\$1,292	\$816	\$164	\$244	\$67

**296 RESOLVED INSTITUTIONS
RESOLUTION SALES AND ASSET PUTBACKS
INCEPTION THROUGH OCTOBER 1990**

**RESOLUTION SALES *
(\$ in millions)**

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$7,250	\$2,749	\$823	\$1,535	\$2,144
Mortgages	24,698	8,207	4,249	3,909	8,332
Other Loans	5,444	2,407	358	648	2,033
REO	62	20	6	0	36
Other Assets	1,452	336	212	520	385
TOTALS	\$38,907	\$13,719	\$5,647	\$6,009	\$12,931

**ASSET PUTBACKS *
(\$ in millions)**

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$80	\$12	\$3	\$44	\$1
Mortgages	5,300	1,218	845	1,035	2,201
Other Loans	1,747	648	94	196	812
REO	1	1	0	0	1
Other Assets	92	41	1	38	12
TOTALS	\$7,201	\$1,917	\$944	\$1,312	\$3,027

* Data on asset putbacks and sales exclude some assets returned to the RTC by acquirers during the month of resolution which are not recorded as sales.

Note: Data for period through inception incorporate revisions of figures for period prior to September 1990.
Data are by RTC region.

Since its inception, the RTC disposed of \$40 billion through conservatorship sales, \$33 billion in other conservatorship collections, \$32 billion in resolution sales net of putbacks, and \$8 billion in receivership sales and collections.

For the 296 resolved institutions as of October 31, resolution sales before putbacks totalled \$39 billion while putbacks amounted to \$7 billion.

In terms of broad asset categories from inception through October, the RTC disposed of \$50.4 billion in securities, \$42.6 billion in mortgages, \$12.4 billion in nonmortgage loans, \$3.5 billion in real estate, and \$3.4 billion in other assets.

AFFORDABLE HOUSING SALES

As of October 31, 1,725 properties have been sold through the affordable housing program. 510 properties were sold during the month of October 1990. Sales to date have yielded \$75 million in proceeds. The average price for single-family properties sold thus far is \$31,000, or 94% of appraised value.

To date, 6,635 properties have been listed for sale with clearinghouses. This represents 82% of the affordable housing inventory in receivership.

MAJOR ASSET SALES

A sample of October RTC asset sales include the following.

- * The RTC sold a portfolio of adjustable-rate home equity lines of credit to Banc One Corporation, Columbus, Ohio for \$444 million, which is 102.09 percent of par. The portfolio includes approximately 15,700 loans plus unused credit lines of approximately \$430 million. The portfolio was an asset of City Savings, F.S.B., Bedminster, New Jersey, which has been operating under the supervision of the RTC since December 8, 1989.
- * A pool of 432 "equity access," consumer lines of credit were sold to Vectra Bank, Denver, Colorado for \$8.3 million, which is 102.1 percent of par. The loans, which are secured by residential property, were assets of Capitol Federal Savings and Loan Association, Aurora, Colorado, which has been operating under the supervision of the RTC since May 4, 1990.
- * Comal Bluff, Tract I, an unimproved tract of land located in Austin, Texas, was sold to Cannon/35 Joint Venture for \$1.35 million, which is 116 percent of the appraised market value. The 8.614-acre parcel was an asset retained by the RTC following the resolution of University Federal Savings, Houston, Texas, which was resolved by the RTC on October 13, 1989.
- * Woodlands Golf Course and Country Club, located on the south side of Canyon Lake in Comal County, Texas, was sold to E.K. Properties, Inc. for \$985,000. The club contains an 18-hole golf course, a swimming pool two tennis courts and 53 residential lots. The Woodlands Golf Course and Country Club was an asset of Commerce Savings Association, San Antonio, Texas, which has been operating under federal supervision since March 2, 1989.
- * San Marino, a residential development located in Tampa, Florida, was sold to Fidelity National Title Insurance Company for \$2.5 million. The complex, which contains 14 townhomes, 36 townhome lots, a clubhouse, and 10.3 acres of land, was an asset retained by the RTC following the resolution of Royal Palm Federal Savings and Loan Association, West Palm Beach, Florida, which was resolved by the RTC on June 8, 1990.

SOURCES AND USES OF FUNDS (\$ in billions) Inception through October 31, 1990
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SOURCES:	
Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	23.0
FFB Borrowings	48.2
Repayments from Conservatorships	1.3
Repayments/Dividends from Receiverships	2.7
TOTAL SOURCES	\$ 89.5
USES:	
Resolutions	\$ 78.8
Advances	9.8
FFB Interest	0.9
TOTAL USES	95.2
NET FUNDS AVAILABLE*	\$ 5.7

* Includes funds for administrative expenses.

SOURCES AND USES OF FUNDS

From its inception through October 31, 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, \$23.0 billion in Resolution Funding Corporation borrowings, and \$48.2 billion in Federal Financing Bank borrowings. The RTC also obtained \$1.3 billion in repayments on advances to conservatorships, and \$2.7 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 31, \$43 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 296 resolutions through October 31 required outlays of \$78.8 billion from the RTC. Advances to conservatorships existing at the end of October totalled \$9.8 billion. Interest on FFB borrowings amounted to \$.9 billion. This left \$5.7 billion in cash on hand on October 31.

NEWS NOTES

RTC SELECTS HIGH YIELD SECURITIES ADVISOR AND ISSUES UPDATED LIST OF JUNK BOND HOLDINGS

The RTC has selected Salomon Brothers Asset Management, a New York-based subsidiary of Salomon Brothers Inc., to serve as its high yield securities advisor. Salomon Asset Management will assist the RTC in developing an overall strategy for disposing of the agency's entire high yield portfolio. Salomon Asset Management was selected from 22 other firms that responded to the RTC's Solicitation of Services.

The RTC has issued its updated "junk bond" inventory, which has a face value of approximately \$3.3 billion, and includes 439 issues held by 30 RTC conservatorship and receivership institutions. The initial high yield securities inventory published by the RTC in July 1990 included holdings from 26 institutions, had a face value of approximately \$3.7 billion, and included 483 issues. This current inventory reflects the RTC's success in selling about \$500 million of high yield securities since July. It also reflects the addition of a number of new holdings from conservatorships added since then.

Copies of the current high yield securities list are available through FaxMedia service.

RTC OFFICE OF INVESTIGATIONS RELEASES FIRST PROGRESS REPORT

The RTC issued its first quarterly status report on investigations into suspected negligent or fraudulent conduct by insiders and others which may have contributed to the insolvency of federally insured savings associations. Based on investigations completed through September 30, the RTC has confirmed earlier estimates indicating that criminal misconduct occurred in 50 percent of the insolvent thrifts now supervised by the RTC and that fraud was a contributing factor in 40 percent of thrift failures.

As of September 30, investigators had completed preliminary examinations in 89 percent of the 493 institutions under RTC supervision. Sixty-six lawsuits have been brought against directors, officers and other professionals and more than \$26 million has been awarded or recovered from professional liability actions or criminal restitution orders.

The status report includes brief updates on progress made by the RTC and other agencies in prosecuting S&L insiders and contains a comprehensive set of statistical tables on priority civil cases, pending lawsuits, civil recoveries and criminal restitution orders. Copies of the Investigations Progress Report are available from the RTC's Reading Room.

RTC GUARANTEED STUDENT LOAN PORTFOLIOS TO BE REINSURED BY U.S. DEPARTMENT OF EDUCATION

Following the October 31, 1990, signing of a memorandum of understanding between the RTC and the U.S. Department of Education, potential purchasers of the RTC's Guaranteed Student Loan (GSL) portfolios can be assured the loans will be covered by the standard and usual government guarantees.

Under the terms of the agreement, the Department of Education will provide buyers with reinsurance guarantees for GSLs held by RTC conservatorships and receiverships. The RTC currently has approximately \$500 million of GSLs, which were obtained from insolvent savings and loan associations. The reinsurance will be provided despite any due diligence violations that may have occurred before the portfolios became part of the RTC's asset inventory.

The agreement will enable the RTC to sell the portfolios promptly and at a reasonable price to eligible lenders in compliance with the Higher Education Act of 1965, as amended. Until the GSL portfolios are sold, the RTC will make every attempt to ensure the loans are properly serviced and collected in accordance with the Department of Education's requirements.

The Department of Education determined that the cost of providing reinsurance for the RTC's GSL portfolios would be significantly less than the loss the RTC would suffer if it could not sell the portfolios or if it had to offer them for sale at a significant discount.

RTC HOLDS AFFORDABLE HOME FAIRS IN FOUR STATES

The RTC held four Affordable Housing Fairs this fall; they were in Arizona, Colorado, Texas and Louisiana. These events allowed the RTC to market a large group of properties in a local area simultaneously. During these events, open houses were held, information about the properties and financing alternatives was provided to prospective buyers, and valid contracts were approved immediately. These events were highly successful. For example, the housing fair held in Phoenix, Arizona, included 135 houses, and the RTC accepted 100 sales contracts as a result of the event. Moreover, the average contracts have yielded over 95% of the appraised value of the properties.

Additional home fairs are being scheduled for January and February for properties in other areas of the country.

RTC TO INITIATE AUCTIONS TO SELL INEXPENSIVE ASSETS NATIONWIDE

Over the next few months, the RTC will be proceeding with several initiatives intended to quickly move small dollar assets back into the private sector. In the first quarter of next year, the RTC will conduct a series of auctions and accept sealed bids for almost all real estate properties under \$100,000. One recent analysis shows that of the 40,000 properties in the RTC's inventory, more than 76 percent had individual values of less than \$100,000. The RTC has completed a plan for conducting sealed bid sales of single family homes for eligible buyers under the RTC's Affordable Housing Disposition Program.

Another initiative will involve packaging delinquent financial assets with individual book values of less than \$50,000. Most of these assets will be sold at "absolute auctions," with the highest bidder taking the property or portfolio. The program will be conducted by the RTC National Sales Center in Washington and at sales centers in the RTC consolidated offices nationwide. According to RTC Chairman L. William Seidman, "The faster disposition of these small assets will maximize returns by freeing up RTC staff to concentrate on large sales where the real dollars are recovered."

RTC CONCLUDES \$126 MILLION SWAP TRANSFER WITH FANNIE MAE

On October 25, 1990, the RTC completed a swap transfer with the Federal National Mortgage Association (Fannie Mae), exchanging \$126 million in adjustable-rate mortgages for Fannie Mae securities the RTC will sell at a later date.

After evaluating bids from Fannie Mae and the Federal Home Loan Mortgage Corporation, the RTC selected Fannie Mae to execute the swap of mortgages from the portfolio of Duval Federal Savings Association, Jacksonville, Florida. In exchange, the RTC received adjustable-rate mortgage-backed securities from Fannie Mae. Duval Federal Savings Association has been operating under the supervision of the RTC since January 18, 1990.

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.

**RTC Resolutions
Inception to October 31, 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	109	\$13,911.6	\$68.6	0.69 %	13.09 %
PA	149	77,672.1	1,451.4	2.77	38.48
PO	38	3,183.1	0	0	0
Total	296	\$94,766.8	\$1,520.0	2.37 %	33.46 %

* 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 cost exclude one institution partially resolved in September 1990.

**RTC Resolutions
October 1990
(Dollars in Millions)**

Institution Name / City / State	Deal Type*	Resolution Date	Acquirer Name / City / State	Total Assets	Estimated Resolution Cost	Assets Passed to Acquirers Net of Putbacks	Percentage of Assets Passed
First FS&LA of Central IN, Anderson, IN	PA	10/05/90	Shelby FSB, Indianapolis, IN	\$143.7	\$16.8	\$129.2	89.90%
Midwest SA, Minneapolis, MN	IDT	10/08/90	Branch Sale to various institutions	1,986.8	828.2	12.8	0.65%
Golden Triangle S&LA, Bridge City, TX	PO	10/12/90	Payout	18.3	50.5	0.0	0.00%
Uvalde FS&LA, Uvalde, TX	PO	10/19/90	Payout	12.7	4.6	0.0	0.00%
Fortune Financial FS&LA, Copperas Cove, TX	PO	10/19/90	Payout	62.1	27.4	0.0	0.00%
Southmoet S&LA, Brownville, TX	PO	10/26/90	Payout	80.0	55.8	0.0	0.00%
Southeastern SA, Dayton, OH	PO	10/26/90	Payout	63.1	62.0	0.0	0.00%
Summit First FS&LA, Summit, IL	PA	10/26/90	Marquette NB, Chicago, IL	51.8	0.6	38.1	73.92%
First State SB, FSB, Mountain Home, AR	IDT	10/26/90	Worthern B&T Co., NA, Little Rock, AR	80.3	52.7	34.1	42.50%
Total **				2,478.6	1,098.6	214.2	8.65%
Grand Total—Inception through October 31, 1990				\$94,766.8	\$33,617.7	\$31,705.7	33.46%

NA = Not Applicable

* Deal Type:

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

** No putbacks are recorded for October resolution sales.

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

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

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

296 Resolved Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$33.3	\$64.7	\$13.0	\$11.5	\$3.8	\$8.7	\$134.9
Reductions During Conservatorship							
Sales Proceeds.....	15.1	4.1	2.4	1.7	0.1	0.6	24.0
Payment & Maturities.....	4.6	7.5	2.9	0.1	0.1	0.1	15.3
Other Changes (Net) /1.....	(1.6)	1.2	(3.8)	2.1	1.8	1.1	0.8
Assets at Resolution.....	15.1	51.9	11.5	7.7	1.7	6.8	94.8
Resolution & Receivership Reductions							
Assets Passed (Net of Putbacks).....	7.2	19.4	3.7	0.1	0.1	1.2	31.7
Assets Retained (After Putbacks).....	7.9	32.5	7.8	7.6	1.6	5.6	63.1
Principal Collections.....	2.9	2.9	0.5	0.4	0.1	0.5	7.2
Other Changes (Net) /2.....	0.2	0.2	(0.1)	0.0	(0.1)	0.7	0.8
Receivership Assets as of October 31, 1990.....	\$4.9	\$29.4	\$7.5	\$7.2	\$1.6	\$4.4	\$55.0

203 Conservatorship Institutions /4

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$38.1	\$53.1	\$7.5	\$8.8	\$3.5	\$6.1	\$117.2
Reductions During Conservatorship							
Sales Proceeds.....	11.9	2.3	0.6	1.3	0.0	0.3	16.4
Payment & Maturities.....	8.7	6.4	2.2	0.0	0.1	0.1	17.6
Other Changes (Net) /1.....	(6.2)	3.5	(0.5)	(1.9)	1.2	1.5	(2.4)
Conservatorship Assets as of October 31, 1990.....	\$23.7	\$40.9	\$5.2	\$9.4	\$2.2	\$4.2	\$85.6

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

All 499 Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$71.4	\$117.8	\$20.5	\$20.3	\$7.3	\$14.8	\$252.1
Reductions During Conservatorship							
Sales Proceeds.....	27.0	6.4	3.0	2.9	0.1	0.9	40.5
Payment & Maturities.....	13.3	13.9	5.2	0.1	0.2	0.2	32.9
Other Changes (Net) /1.....	(7.8)	4.7	(4.3)	0.2	3.0	2.7	(1.5)
Assets at Resolution.....	15.1	51.9	11.5	7.7	1.7	6.8	94.8
Resolution & Receivership Reductions							
Assets Passed (Net of Putbacks).....	7.2	19.4	3.7	0.1	0.1	1.2	31.7
Assets Retained (After Putbacks).....	7.9	32.5	7.8	7.6	1.6	5.6	63.1
Principal Collections.....	2.9	2.9	0.5	0.4	0.1	0.5	7.2
Other Changes (Net) /2.....	0.2	0.2	(0.1)	0.0	(0.1)	0.7	0.8
Conservatorship and Receivership Assets as of October 31, 1990.....	\$28.6	\$70.4	\$12.6	\$16.6	\$3.8	\$8.6	\$140.6

/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 \$5.3 billion of receivership cash and investments available for the payment of expenses and dividends. Includes \$.5 billion in receivership cash and cash-equivalents from resolved institutions at October 31, 1990.

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

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