

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. I NO. 12

December 1990

L. William Seidman, Chairman

David C. Cooke, Executive Director

- * **RTC Resolves 21 Thrifts in December, While Taking 12 New Institutions into Conservatorship**
- * **362 Thrifts Resolved by RTC From its Inception in August 1989 Through January 1991**
- * **Asset Sales and Principal Collections, Net of Assets Put Back to RTC, Total \$10.6 Billion in December, \$128 Billion Since Inception**
- * **Sales and Collections from June 30 Inventory Total \$54 Billion Through December, Surpassing \$50 Billion Goal**

CASELOAD AND ASSET INVENTORY

In December, the RTC sold or liquidated 21 savings associations. The RTC also took 12 additional institutions into its conservatorship program. As a result, the number of conservatorship institutions declined to 179 at the end of December.

The 179 conservatorships held \$86 billion in gross assets on December 31, 1990. Of the total, cash and securities (including a large amount pledged against outstanding borrowings) represented 28%, performing 1-4 family mortgages 26%, other performing loans 18%, delinquent loans 10%, real estate 10%, investments in subsidiaries 3%, and other assets 5%.

Also under the RTC's jurisdiction were 352 receiverships, resulting from the resolution of thrifts since the RTC's inception, with \$58

billion in assets on December 31. (This total excludes approximately \$3.8 billion in cash and cash equivalents accumulated from receivership collections which are available for payment of expenses and dividends to creditors.) 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 December Caseload (\$ in billions)

	<u>Number</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Deposits</u>
End of November	184	\$87.5	\$98.1	\$66.9
New Conservatorships	12	5.2	5.0	3.8
Resolved Cases *	21	5.6	7.1	5.8
End of December	179	\$ 85.8	\$100.5	\$68.5

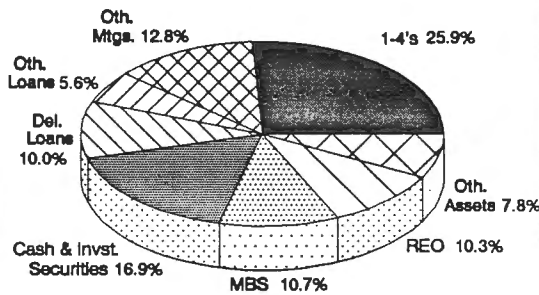
Assets based on preliminary 11/30/90 and 12/31/90 financial reports.

Liabilities and Deposits based on 11/30/90 financial reports.

* Includes four Accelerated Resolution Program cases.

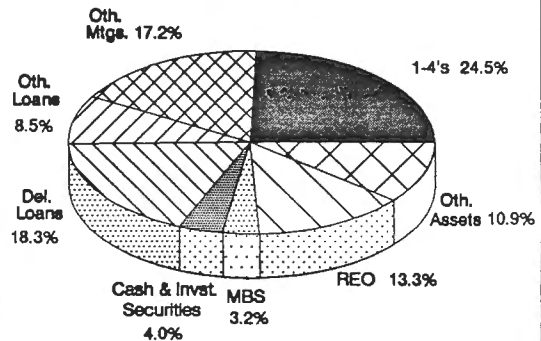
**CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT
As of December 31, 1990**

**CONSERVATORSHIPS
As of December 31, 1990**



(Percentage Of Gross Assets)

**RECEIVERSHIPS
As of December 31, 1990**



(Percentage Of Gross Assets)

**CONSERVATORSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$ 14.5	16.9%
Mtg. Backed Sec.	9.2	10.7
Perf. Lns. - Total	37.9	44.3
1-4 Family Mtgs.	22.2	25.9
Cstrn. & Land	1.7	2.0
Other Mtgs.	9.2	10.7
Other Loans	4.8	5.6
Del. Lns. - Total	8.6	10.0
1-4 Family Mtgs.	1.0	1.2
Cstrn. & Land	4.0	4.6
Other Mtgs.	2.7	3.2
Other Loans	0.9	1.1
Real Estate Owned	8.9	10.3
Subsidiaries	2.7	3.1
Other Assets	4.0	4.7
Gross Assets	\$ 85.8	100.0%

Data based on preliminary 12/31/90 information
Number of institutions: 179

**RECEIVERSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.	* \$ 2.4	4.0%
Mtg. Backed Sec.	1.9	3.2
Perf. Lns. - Total	29.2	50.3
1-4 Family Mtgs.	14.3	24.5
Cstrn. & Land	1.6	2.8
Other Mtgs.	8.4	14.4
Other Loans	5.0	8.5
Del. Lns. - Total	10.6	18.3
1-4 Family Mtgs.	1.5	2.7
Cstrn. & Land	2.4	4.2
Other Mtgs.	4.3	7.5
Other Loans	2.3	4.0
Real Estate Owned	7.7	13.3
Subsidiaries	1.7	2.9
Other Assets	4.6	7.9
Gross Assets	\$ 58.1	100.0%

Data based on preliminary 12/31/90 information
Number of institutions: 352

* Excludes \$3.8 billion in cash and cash-equivalents accumulated from receivership collections.

RTC at resolution consisted of lower quality, less marketable assets. Thus, real estate and delinquent loans represented 32% of the \$58 billion in receivership assets. All assets other than cash, securities, and performing 1-4 family mortgages represented 68% of total receivership assets. Moreover, a substantial amount of the securities and performing mortgages in receiverships were junk bonds and substandard loans that cannot easily be marketed.

Including both conservatorships and receiverships, the total \$144 billion of assets under RTC management consisted of: \$28 billion in cash and securities, \$36 billion in performing 1-4 family mortgages, \$31 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 21 institutions resolved in December brought the total number of resolutions to 352 from the establishment of the RTC in August 1989 through the end of 1990.

The 352 thrifts held \$105 billion in assets at the time of resolution. Of the total, \$32.9 billion of assets, or 31%, 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. On January 11, 1991, assets subject to put totalled \$10 billion, net of puts previously exercised or expired.

Estimated resolution costs for the 352 resolved thrifts totalled \$36.9 billion, 30% of their total liabilities at the time of resolution. The cost that would have been incurred if the insured deposits of all 352 institutions had been paid out to depositors would have been \$38.6 billion. The \$1.7 billion difference represented the estimated savings, or premiums,

over insured deposit payout costs. These savings were equal to 2.28% of core deposits, represented by deposits with balances below \$80,000.

(Data on the number and cost of resolutions have been revised to exclude one institution previously counted as a partial resolution in September 1990. This institution, whose resolution was completed in January 1991, is treated as a January resolution as a result of this revision.)

Some of the characteristics of the 352 resolutions were as follows:

Transaction Type. Of the total number of cases, 179 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 122 were insured deposit transfers (IDTs), in which the acquiring institutions served as paying agents for the RTC, established accounts on their books for the depositors of the failed institutions, and acquired some of their assets in many cases. The remaining 51 were insured deposit payouts (POs).

Generally, the larger and more attractive franchises were resolved through P&As. The average asset size of P&As was \$472 million, compared with \$118 million for other resolutions. Partly reflecting this difference in size, acquirers in P&As paid considerably higher premiums over deposit payout costs -- 2.71% of core deposits, compared with .62% for IDTs. P&As represented 81% of the total assets of all resolved thrifts.

Type of Acquirer. Banks acquired 213 of the resolved institutions, while thrifts acquired 88. The remaining 51 were insured deposit payouts.

Thrift Size. The 352 resolved institutions included 22 with \$1 billion or more in assets.

**Resolution Trust Corporation
Characteristics of 352 Resolutions
Inception to December 31, 1990
(Dollars in Billions)**

Type of Acquirer *	Number		Size of Resolved Institution (Assets)	Number	
	of Cases	Total Assets		of Cases	Total Assets
Bank	213	\$64.6	\$1 Billion or more	22	\$60.8
Thrift	88	35.5	\$500 to 999 Million	16	11.6
TOTAL--Acquirers	301	100.1	\$250 to 499 Million	30	10.7
Payouts	51	5.0	Under \$250 Million	284	22.0
TOTAL	352	\$105.1	TOTAL	352	\$105.1

Location of Resolved Institution	Number		Number of Bids Received	Number	
	of Cases	Total Assets		of Cases	Total Assets
Texas	75	\$18.8	5 or more bids	74	\$28.1
California	34	12.8	4 bids	36	20.8
Illinois	32	4.1	3 bids	61	13.1
Louisiana	27	1.7	2 bids	61	20.5
Kansas	17	3.2	1 bid	79	18.3
Florida	15	9.3	No bids	41	4.3
Colorado	13	2.1	TOTAL	352	\$105.1
Other	139	53.1			
TOTAL	352	\$105.1			

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	41	\$9.0	5% or more	32	\$13.0
50 to 74.9%	45	17.6	3 to 4.9%	27	31.0
25 to 49.9%	75	31.1	1 to 2.9%	90	27.0
Under 25%	191	47.4	Under 1%	203	34.1
TOTAL	352	\$105.1	TOTAL	352	\$105.1

Estimated Resolution Cost as a % of Liabilities	Number	
	of Cases	Total Assets
60% or more	41	\$5.6
40 to 59.9%	74	12.7
20 to 39.9%	121	52.4
Under 20%	116	34.4
TOTAL	352	\$105.1

* 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.

**Resolution Trust Corporation
Characteristics of 66 Resolutions
Fourth Quarter 1990
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	40	\$9.7	\$1 Billion or more	2	\$4.0
Thrift	8	1.1	\$500 to 999 Million	2	1.6
TOTAL--Acquirers	48	10.8	\$250 to 499 Million	7	2.5
Payouts	18	2.0	Under \$250 Million	55	4.7
TOTAL	66	\$12.8	TOTAL	66	\$12.8

Location of Resolved Institution	Number of Cases	Total Assets	Number of Bids Received	Number of Cases	Total Assets
Texas	15	\$1.4	5 or more bids	18	\$4.3
Illinois	10	1.1	4 bids	2	0.1
Arkansas	6	0.7	3 bids	9	0.7
Louisiana	5	0.3	2 bids	9	2.1
California	3	1.2	1 bid	15	4.3
Kansas	3	0.3	No bids	13	1.3
Other	24	7.8	TOTAL	66	\$12.8
TOTAL	66	\$12.8			

Percentage of Assets Passed to Acquirers***	Number of Cases	Total Assets	Savings over Deposit Payout Costs as % of Core Deposits **	Number of Cases	Total Assets
75% or more	16	\$3.7	5% or more	7	\$1.9
50 to 74.9%	10	2.3	3 to 4.9%	4	0.3
25 to 49.9%	11	1.4	1 to 2.9%	18	3.9
Under 25%	29	5.4	Under 1%	37	6.7
TOTAL	66	\$12.8	TOTAL	66	\$12.8

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	6	\$0.6
40 to 59.9%	13	2.1
20 to 39.9%	19	3.6
Under 20%	28	6.5
TOTAL	66	\$12.8

* 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.

Most were relatively small, however, with 81% having less than \$250 million in assets.

Location. More than one-half of the resolved thrifts were in five states -- Texas, California, Illinois, Louisiana, and Kansas.

Assets Sold to Acquirers. Less than 25% of the assets of resolved thrifts were transferred to acquirers in 191 cases, 75% or more in 41 cases.

Number of Bids. One-half of the resolved thrifts attracted two or fewer bids. In a minority of cases, however, there was a substantially larger number. Thus, 74 cases attracted 5 or more bids.

Savings Over Deposit Payout Costs. Estimated savings over deposit payout costs were less than 1% of core deposits in more than one-half of the 352 resolution transactions, but more than 5% in 32 cases.

Estimated Resolution Costs. Estimated resolution costs were under 20% of liabilities in 116 cases, 60% or more in 41 cases.

Of the 352 thrifts resolved from inception through December, 66 were resolved in the fourth quarter. The characteristics of these 66 resolutions differed somewhat from the resolutions since inception. For example, the estimated savings over core deposits was lower (1.56% vs. 2.28%) for the fourth quarter resolutions. Additionally, the average asset size of an institution resolved was smaller (\$194 million vs. \$299 million) for fourth quarter resolutions.

In January, further transactions raised the total number of resolutions from inception to the end of the month to 362. Of these resolutions, 185 were purchase and assumption transactions which include 7 Accelerated Resolution Program (ARP) cases, 125 were insured deposit payout transfers, and 52 were insured deposit payouts.

ASSET REDUCTIONS

In December, the proceeds of asset sales and other principal collections were \$10.6 billion, net of assets put back to the RTC. This included sales and principal collections in conservatorship institutions, assets passed to acquirers of resolved thrifts, and sales and principal collections in receivership.

December activity brought total sales and principal collections since inception to \$128 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 \$128 billion represented 47% of the total assets of all 531 institutions taken over by the RTC at the time they came under its control. The comparable figure for the 352 resolved institutions was considerably higher -- 59% -- reflecting the volume of assets passed at resolution. For the 179 conservatorships existing on December 31, sales and principal collections from inception through December represented 32% of beginning assets.

December sales and collections of \$10.6 billion included \$2.5 billion in sales proceeds from conservatorships, \$1.9 billion in other conservatorship asset collections, \$3.2 billion in resolution sales, and \$3.0 billion in receivership sales and principal collections. Assets put back to the RTC in December, primarily from assets passed to acquirers in earlier months, totalled \$2.8 billion.

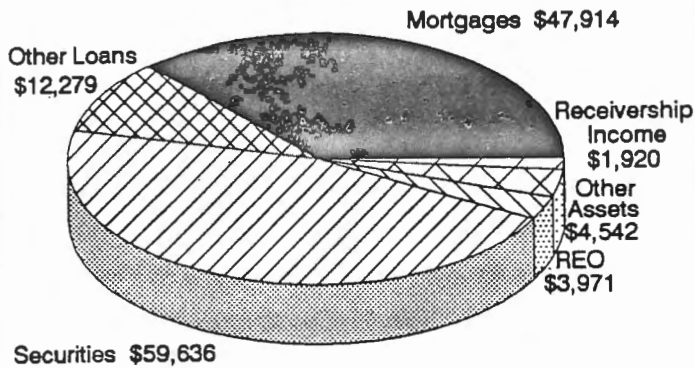
Since its inception, the RTC disposed of \$46 billion through conservatorship sales, \$37 billion in other conservatorship collections, \$33 billion in resolution sales net of putbacks, and \$12 billion in receivership sales and principal collections.

In terms of broad asset categories from inception through December, the RTC disposed of \$59.6 billion in securities, \$47.9 billion in

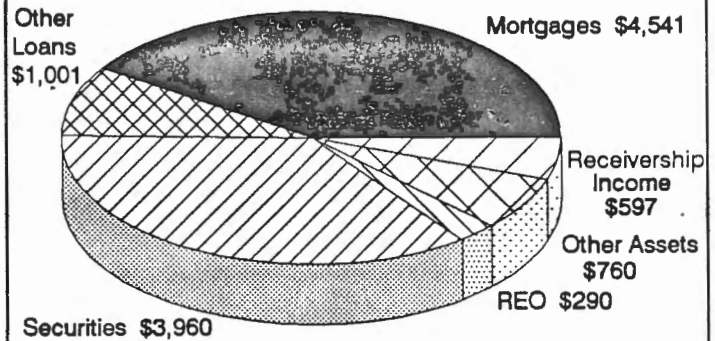
ASSET COLLECTIONS

CONSERVATORSHIPS, RESOLUTIONS AND RECEIVERSHIPS SALES AND COLLECTIONS

INCEPTION 1989 THROUGH DECEMBER 1990
(\$ In millions)



DECEMBER 1990
(\$ In millions)



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

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$59,636	\$22,883	\$10,815	\$7,901	\$18,038
Mortgages	47,914	17,056	8,872	7,107	14,878
Other Loans	12,279	5,926	1,469	1,735	3,148
REO	3,971	633	602	1,568	1,167
Other Assets	4,542	1,172	988	1,277	1,108
Rec. Income	<u>1,920</u>	<u>703</u>	<u>260</u>	<u>635</u>	<u>322</u>
TOTALS	\$130,261	\$48,375	\$23,007	\$20,224	\$38,656

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

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$3,960	\$2,573	\$733	\$167	\$487
Mortgages	4,541	1,891	1,874	330	444
Other Loans	1,001	550	269	69	113
REO	290	77	50	115	49
Other Assets	760	209	223	119	208
Rec. Income	<u>597</u>	<u>186</u>	<u>92</u>	<u>155</u>	<u>164</u>
TOTALS	\$11,150	\$5,485	\$3,242	\$956	\$1,466

Note: Data for period since 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 December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$31,996	\$10,099	\$5,882	\$4,573	\$11,442
Mortgages	7,812	3,151	1,364	1,286	2,009
Other Loans	2,231	1,647	220	142	222
REO	3,228	476	485	1,215	1,052
Other Assets	1,075	393	206	280	198
TOTALS	\$46,342	\$15,767	\$8,156	\$7,497	\$14,922

CONSERVATORSHIP SALES PROCEEDS (\$ in millions) December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$1,652	\$1,270	\$171	\$125	\$86
Mortgages	626	455	81	9	81
Other Loans	58	9	21	19	10
REO	126	47	11	54	14
Other Assets	15	14	0	0	0
TOTALS	\$2,477	\$1,793	\$285	\$208	\$191

CONSERVATORSHIPS: OTHER COLLECTIONS (\$ in millions) Inception through December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$15,866	\$7,095	\$3,190	\$1,814	\$3,966
Mortgages	14,870	4,898	1,719	2,241	6,012
Other Loans	5,292	2,357	593	915	1,427
REO	98	46	22	26	4
Other Assets	708	171	260	176	101
TOTALS	\$36,834	\$14,569	\$5,784	\$4,973	\$11,509

CONSERVATORSHIPS: OTHER COLLECTIONS (\$ in millions) December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$1,148	\$922	\$81	\$22	\$123
Mortgages	474	253	31	53	135
Other Loans	165	74	10	28	52
REO	2	1	0	1	0
Other Assets	87	49	13	8	18
TOTALS	\$1,877	\$1,299	\$136	\$112	\$329

RESOLUTION SALES: NET OF PUTBACKS (\$ in millions) Inception through December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$8,013	\$3,030	\$1,321	\$1,506	\$2,156
Mortgages	19,933	6,006	5,205	2,704	6,018
Other Loans	3,305	1,171	490	478	1,165
REO	67	13	18	0	35
Other Assets	1,626	355	358	479	435
TOTALS	\$32,944	\$10,575	\$7,393	\$5,167	\$9,809

RESOLUTION SALES (\$ in millions) December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$596	\$108	\$426	\$3	\$59
Mortgages	2,084	455	1,570	47	12
Other Loans	278	64	202	1	11
REO	10	0	10	0	0
Other Assets	212	36	122	17	37
TOTALS	\$3,180	\$663	\$2,329	\$67	\$120

RECEIVERSHIP SALES & COLLECTIONS (\$ in millions) Inception through December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$3,761	\$2,659	\$422	\$208	\$472
Mortgages	5,299	3,001	584	876	837
Other Loans	1,451	751	168	200	334
REO	578	98	77	327	76
Other Assets	1,133	253	164	342	374
Rec. Income	1,920	703	260	635	322
TOTALS	\$14,141	\$7,465	\$1,673	\$2,588	\$2,415

RECEIVERSHIP SALES & COLLECTIONS * (\$ in millions) December 1990

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$564	\$273	\$55	\$17	\$219
Mortgages	1,357	728	192	221	216
Other Loans	500	403	36	21	40
REO	152	29	29	60	35
Other Assets	446	110	88	94	153
Rec. Income	597	186	92	155	164
TOTALS	\$3,616	\$1,730	\$492	\$569	\$826

**352 RESOLVED INSTITUTIONS
RESOLUTION SALES AND ASSET PUTBACKS
INCEPTION THROUGH DECEMBER 1990**

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

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$8,105	\$3,051	\$1,324	\$1,568	\$2,163
Mortgages	28,179	8,803	6,654	4,075	8,648
Other Loans	5,848	2,471	636	693	2,048
REO	68	14	18	0	36
Other Assets	<u>1,789</u>	<u>396</u>	<u>361</u>	<u>564</u>	<u>470</u>
TOTALS	\$43,990	\$14,734	\$8,993	\$6,900	\$13,363

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

	<u>Total</u>	<u>E</u>	<u>C</u>	<u>SW</u>	<u>W</u>
Securities	\$92	\$20	\$2	\$63	\$7
Mortgages	8,246	2,798	1,449	1,371	2,628
Other Loans	2,544	1,300	146	215	883
REO	20	1	0	18	1
Other Assets	145	41	3	67	35
TOTALS	\$11,047	\$4,160	\$1,600	\$1,734	\$3,553

* 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 since inception incorporate revisions of figures for period prior to September 1990.
Data are by RTC region.

mortgages, \$12.3 billion in nonmortgage loans, \$4.0 billion in real estate, and \$4.5 billion in other assets.

**YEAR-END ASSET SALES GOAL
SURPASSED**

Asset reductions through December 31 included \$54 billion of book value sales and principal collections during the July - December period. This exceeded the goal, set in August, of a \$50 billion reduction in the June 30 asset inventory. The \$54 billion total included \$22 billion in mortgages, \$20 billion in securities, \$6 billion in nonmortgage loans, \$2 billion in real estate, and \$4 billion in other assets.

MAJOR ASSET SALES

Asset sales in December and January included a variety of residential, commercial,

and land sales. A sample of the assets sold includes the following:

Residential properties sold include:

- * The Seventh at Sonterra, a luxury townhome development located in San Antonio, Texas, which was sold to Dresdner Enterprises, Inc., for \$1.9 million. The complex, which contains 23 completed townhomes and 28 residential lots, was a real estate asset retained by the RTC following the resolution of First State Federal Savings, San Antonio, Texas, on May 4, 1990.
- * Surrey Oaks Apartments, a 154-unit apartment complex located in Fort Worth, Texas, which was sold to The Brighton Group for \$2.9 million. The apartment complex was a real estate asset owned by San Jacinto Savings Association, Belaire, Texas, which has been operating under the supervision of the RTC since December 14, 1990.
- * Over 3 acres of land located on Nantucket Sound at the entrance to Hyannis Harbor in Hyannisport, Massachusetts, which was sold to Joseph and Gloria McCarthy for \$2.75 million. The

property includes two buildings: a main house with 9,000 square feet of living space, and a guest house with 3,963 square feet of living space. The land and houses were real estate assets of Sentry Savings Bank, FSB, Hyannis, Massachusetts, which has been operating under the supervision of the RTC since September 21, 1990.

Commercial properties sold include:

- * First South Office Building, a 4-story office building located in Houston, Texas, which was sold to 2550 Gray Falls, Inc., a Texas corporation, for \$1.9 million. The building was also an asset of San Jacinto SA.
- * Briar Hills Office Building, a 3-story office building located in Houston, Texas. The building, which was also an asset of San Jacinto SA, was sold to 1011 Hwy 6 South, Inc., a Texas corporation, for \$1.7 million.
- * A Comfort Inn Motel with 120 rooms located in Houston, Texas, which was sold to Motel 6 Limited Partnership for \$2.4 million. The motel was a real estate asset retained by the RTC following the resolution of First Capital Savings Association, Houston, Texas, on September 22, 1989.
- * Data Square I & II, two office buildings with a combined area of 106,893 square feet, which were sold to Humana Health Plan of Texas, Inc., for \$3 million. The buildings, which are located in Dallas, Texas, were assets retained by the RTC following the resolution of Bexar Savings Association, San Antonio, Texas, on June 15, 1990.

Land sales include:

- * The Woods Subdivision, which had 228 single-family lots and three vacant tracts totalling 37.2 acres, was located in Round Rock, Texas. The property, which was sold to Austin Wood Associates for \$1.5 million, was a real estate asset retained by the RTC following the resolution of University Federal Savings Association, Houston, Texas, on October 13, 1989.
- * Royal Lane Land, a 19.4 acre tract of land in Dallas, Texas. The land, which was sold to RLV Associates, Ltd. for \$2.1 million, was a real estate asset of Commonwealth Federal Savings Association, Houston, Texas, which has been operating under the supervision of the RTC since March 9, 1989.

SOURCES AND USES OF FUNDS	
(\$ in billions)	
Inception through December 31, 1990	
SOURCES:	
Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	23.0
FFB Borrowings	53.0
Repayments from Conservatorships	1.7
Repayments/Dividends from Receiverships	8.6
TOTAL SOURCES	\$ 106.3
USES:	
Resolutions and Receivership Funding	\$ 90.1
Advances and Other Disbursements to Conservatorships *	10.4
FFB Interest	0.2
TOTAL USES	101.4
NET FUNDS AVAILABLE	\$ 4.9
* Net of conservatorship advances transferred to receiverships.	

SOURCES AND USES OF FUNDS

From its inception through December 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, (REFCORP) and \$53.0 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$1.7 billion in repayments on advances to conservatorships and expense reimbursements, and \$8.6 billion in dividends, repayments, and expense reimbursements 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 December 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 352 resolutions and receiverships through December 31 required outlays of \$90.1 billion from the RTC. Advances and other disbursements to conservatorships through the end of December totalled \$10.4 billion. This figure is net of conservatorship advances that have been transferred to receiverships. Interest on FFB borrowings amounted to \$.9 billion. This left \$4.9 billion in cash on hand on December 31.

NEWS NOTES

RTC SHOWCASES AFFORDABLE HOUSING PROPERTIES IN ARIZONA

On January 12, more than 50 homes in the Glendale and West Valley areas of Arizona were featured in the "Affordable Home Showcase" sponsored by the RTC. The Showcase provided information about residential properties available under the RTC's Affordable Housing Disposition Program to low- and moderate-income purchasers. Mortgage revenue bond financing was available for qualified homebuyers at interest rates of 6.39 to 8.39 percent. To be eligible to purchase homes in the RTC's Affordable Housing Disposition Program, interested buyers must have an income, adjusted for family size, that does not exceed 115 percent of median area income.

RTC SOLICITS BIDS FOR \$180 MILLION ASSET POOL

On January 8, the RTC began soliciting bids for sale of a \$180 million (market value) pool of commercial loans and real estate. The asset pool includes non-performing and restructured commercial loans, and commercial real estate from two Texas conservator-

ships, Alamo Federal Savings Association and Commonwealth Federal Savings Association. The RTC will offer up to 85 percent financing on a non-recourse basis. The initial term will be for no more than seven years with two one-year renewal periods. After the borrower has repaid the RTC, the RTC will be entitled to additional payment of up to 30 percent of the value of any unsold assets.

Bids are due February 21 and the winning bid will be announced on February 22. For more information, call the RTC National Sales Center at 202-416-4235.

RTC SCHEDULES CONTRACTING, INVESTOR SEMINAR FOR MINORITIES AND WOMEN

A seminar on "How to Work With The Resolution Trust Corporation" will be held on February 27 in Washington, D.C. for minority and women-owned firms interested in RTC contracting opportunities, acquisitions of failed savings and loan associations, or purchasing thrift assets. "This seminar represents part of our continuing outreach effort to inform minorities, women, and minority- and women-owned businesses about the RTC's contracting process and other operations," said RTC Executive Director David C. Cooke.

Sessions will be presented by key RTC staff from the Washington and Regional offices. The fee for the one-day seminar is \$60.00. For more information on the seminar call 1-800-662-4008.

FDIC, RTC FILE \$6 BILLION LAWSUIT AGAINST MICHAEL MILKEN AND OTHERS

On January 18, the FDIC and the RTC filed a lawsuit against former Drexel Burnham Lambert official Michael R. Milken and other individuals to recover more than \$6 billion in

damages suffered by failed savings and loan associations in junk bond investments.

The suit alleges that Milken and numerous co-conspirators willfully and illegally induced S&Ls to purchase billions of dollars of junk bonds by distorting the true value and liquidity of the bonds. The agencies also claim the conspirators monopolized the junk bond market and "undertook extensive manipulations to inflate junk bond prices artificially and to create an illusion of liquidity."

FDIC and RTC Chairman L. William Seidman said: "Congress and the American taxpayers who are paying for the S&L bailout fully expect us to recover as much as we can from those who defrauded failed S&Ls. We will continue to pursue those who defraud institutions with all possible resources available to us."

This court filing is the latest result of a wide-ranging and ongoing investigation of junk bond losses by failed S&Ls that Mr. Seidman has described as "among the most extensive ever undertaken by federal banking agencies." Chairman Seidman also noted that while the claim is large, the actual damages represent less than one percent of the total estimated losses suffered in the thrift crisis.

RTC PRE-APPROVES CONTRACTORS FOR SMALL ASSET AUCTIONS IN NORTH CENTRAL REGION

Eight firms have been pre-qualified by the RTC to conduct auctions of assets valued at less than \$100,000 in the North Central Region, which has more than 7,000 properties valued under \$100,000. Pre-qualification means that the companies are now eligible to bid on contracts to conduct auctions of real estate, including affordable housing, planned by the North Central Region. The pre-approved auction contractors are: Dunnings Auction Services, Inc.; Fisher Auction Company, Inc.; Hudson and Marshall; David

Kaufman and Company; JP King Auction Company; Larry Latham Auctioneers, Ltd; Joe Mass International Inc; and NRC Auctions.

Of the 500 contractors who were sent a notice of intent to solicit services, 35 firms requested further information, and 16 submitted proposals to the RTC. The first of several auctions is scheduled for March 1991. The specific date and location will be announced.

RTC AWARDS REAL ESTATE ASSET MANAGEMENT SYSTEM CONTRACT TO IBM

The RTC has selected the IBM Federal Sector Division, Gaithersburg, MD, as the lead contractor for providing hardware, software and other services for managing and tracking RTC's real estate inventory. The Real Estate Owned Asset Management System may eventually track as many as 300,000 RTC assets and be accessed by several thousand RTC employees and private-sector contractors nationwide. The RTC expects IBM to have the system operating by the end of May.

The basic contract, which includes the four-component system and a two-year operational period, is valued at approximately \$14 million. The RTC has the option to purchase two additional two-year segments of operations support at a total cost of approximately \$10.2 million. IBM was selected from 13 firms that responded to RTC's Solicitation of Services. RTC awarded the contract to IBM based on a combined cost and technical evaluation established by the RTC as part of its Solicitation of Services. IBM will use the services of the Houston office of Andersen Consulting and Dallas-based LOMAS Mortgage USA for the system.

RTC BOARD APPROVES SAMDA REVISIONS

On January 15, the RTC Board of Directors approved several revisions to the incentive system, disposition fee schedule and other provisions of the Standard Asset Management and Disposition Agreement (SAMDA) used with private sector contractors.

As a result of the changes, the SAMDA now will: compensate a contractor for his overall performance; establish a new method for the calculation of disposition fees; establish capital costs as an expense charged against the asset pool; provide for annual adjustments (higher or lower) to the estimated recovery values of assets under management to account for economic changes in the market affecting the value of the remaining pool of assets; provide for disposition fee payments as the RTC receives cash from restructured loans or the sale of an asset with RTC financing; establish an incentive to promote the Affordable Housing Disposition Program; and eliminate the requirements for errors and omissions (E&O) insurance and letters of credit.

Copies of the revisions to the SAMDA are available from the RTC Reading Room.

HOWARD W. COX SELECTED TO HEAD CONTRACTOR OVERSIGHT OFFICE

Howard W. Cox has been appointed Assistant Director for Contractor Oversight and Surveillance for the RTC's Asset and Real Estate Management Division. Before joining the RTC, Mr. Cox was with the Department of Defense's Office of Inspector General, where he was responsible for the oversight of all criminal investigations, with concentration on contract fraud.

As the Assistant Director for Contractor Oversight and Surveillance, Mr. Cox will be responsible for planning and coordinating all

RTC activities associated with the oversight of private sector contractors who provide asset management and other services. Mr. Cox and his staff will also oversee investigations of alleged fraud, corruption, improper or prohibited activities, and other alleged violations by RTC contractors.

RTC RESTRUCTURES REGIONS, HEADQUARTERS OFFICE, AND APPOINTS TWO NEW DEPUTY EXECUTIVE DIRECTORS

On January 16, RTC Chairman L. William Seidman announced that several changes in organization are being undertaken by the RTC to improve operations. They include redrawing regional boundaries and the creation of new offices to handle administration and contracting activities, financial operations, capital markets activities and oversight of former Federal Savings and Loan Insurance Corporation (FSLIC) operations.

"The major changes will be accomplished through reassignment of existing staff and will not result in increases in the RTC's authorized personnel," said Chairman Seidman.

Oversight of the FSLIC operations has been a responsibility of the FDIC since 1989. The activities being assumed by the RTC include administration of all savings association sales agreements approved by the FSLIC in 1988. The RTC and FDIC determined the RTC should have both oversight and negotiating authority as it enters into discussions with owners of these institutions.

As part of the headquarters reorganization, the RTC has created two new Deputy Executive Director positions, which have been filled by William H. Roelle and Lamar C. Kelly. Mr. Roelle continues to oversee resolutions and conservatorship activities and has assumed responsibility for FSLIC operations now being assigned to the RTC. Anthony

Scalzi, who has been serving as director of the RTC's Western Region, has become interim director of the Resolutions and Operations Division. Sherwin Koopmans, who headed the RTC's Major Transactions Group, has replaced Mr. Scalzi as director of the Western Region.

Mr. Kelly's primary responsibility continues to be oversight of the Asset and Real Estate Management Division, its network of regional sales centers, and asset management and disposition agreements awarded by the RTC.

A new Office of Corporate Finance will assume responsibility for RTC's budgeting, accounting and other financial services and will be headed by Chief Financial Officer and Director, Paul L. Sachtleben.

At the regional level, the RTC has redrawn the boundaries of its four regions. Eleven states have been shifted to the North Central Region, which is based in Overland Park, Kansas. This change will enable the North Central Region to assume additional asset management responsibility.

For a copy of the new headquarters organization chart and a map showing the new RTC regions, contact the RTC Reading Room or FaxMedia.

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 December 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	122	\$15,530.8	\$70.0	0.62 %	11.71 %
PA	179	84,577.0	1,583.5	2.71	36.80
PO	51	4,942.6	0	0	0
Total	352	\$105,050.4	\$1,653.5	2.28 %	31.36 %

**RTC Resolutions
Fourth 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	14	\$3,613.1	\$22.7	0.77 %	4.36 %
PA	34	7,167.8	147.9	2.13	66.60
PO	18	1,993.8	0	0	0
Total	66	\$12,774.7	\$170.6	1.56 %	29.47 %

*** 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.

RTC Resolutions
December 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
Charter SB, FSB, Newport, CA	IDT	12/07/90	Pacific Heritage Bank, Torrance, CA	\$213.0	\$34.4	\$10.7	5.03%
Karnes County FS&LA, Karnes City, TX	IDT	12/07/90	Victoria B&TC, Victoria, TX	40.2	18.9	16.9	41.95%
Deposit Trust SB, Monroe, LA	IDT	12/07/90	First Republic Bank, Rayville, LA	52.5	21.4	7.3	13.91%
First FS&LA, Shreveport, LA	PO	12/07/90	Payout	141.4	135.4	0.0	0.00%
Commonwealth S&LA, Osceola, AR	PA	12/07/90	Southbank FSB, Corinth, MS	18.5	13.2	16.4	88.86%
First America SB, FSB, Fort Smith, AR	PA	12/07/90	Branch Sale to various institutions	372.0	53.4	186.0	44.62%
Vision Bank Sa, Kingsville, TX	PO	12/07/90	Payout	41.4	63.5	0.0	0.00%
Haven S&LA, Winter Haven, FL	PA	12/07/90	Barnett Bank of Polk County, Lakeland, FL	128.2	32.6	97.5	76.08%
Security FSA, Texarkana, TX	PO	12/07/90	Payout	204.7	488.2	0.0	0.00%
Terrebonne S&LA, Houma, LA	IDT	12/07/90	The St. Mary B&TC, Franklin, LA	14.8	5.8	2.3	15.37%
United SB, FSB, Paterson, NJ	PO	12/13/90	Payout	188.3	24.5	0.0	0.00%
Frontier SA, Las Vegas, NV	PA	12/14/90	Bank of America Nevada, Reno, NV	252.4	0.0	109.6	43.44%
Community FS&LA, St. Louis, MO	PA	12/14/90	Boatman's NB, St. Louis, MO	1,990.6	372.1	1,725.1	86.66%
Mississippi SB, FSB, Batesville, MS	PO	12/14/90	Payout	147.5	38.9	0.0	0.00%
Excel Banc SA, Laredo, TX	PO	12/14/90	Payout	93.5	63.8	0.0	0.00%
Hometown SB, FSB, Delphi, IN	PA	12/14/90	Branch Sale to various institutions	48.4	8.4	22.9	47.26%
Great American S&LA, Corinth, MS	PO	12/14/90	Payout	78.2	16.2	0.0	0.00%
Peoples FSA, Bartlesville, OK	IDT	12/14/90	WestStar Bank NA, Bartlesville, OK	71.5	8.3	50.0	69.89%
First FSB of Kansas, Wellington, KS	IDT	12/14/90	Branch Sale to various institutions	104.7	74.9	0.4	0.36%
Mid-America FS&LA, Columbus, OH	PA	12/15/90	NBD Bank, Columbus, OH	960.2	39.1	558.4	57.94%

**RTC Resolutions
December 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
Enterprise SB, Chicago, IL	PA	12/27/90	United FB, Galesburg, IL	419.0	55.0	398.6	95.11%
Total				5,581.0	1,548.2	3,179.9	56.98%
Grand Total—Inception through December 31, 1990				\$105,050.4	\$36,913.4	\$32,943.6	31.36%

NA = Not Applicable

* Deal Type:

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

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

Data exclude City Savings FSB, Somerset, NJ, which has been reclassified as a January 1991 resolution in its entirety.

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

352 Resolved Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$38.8	\$73.1	\$12.7	\$12.9	\$3.9	\$9.6	\$150.9
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	18.5	4.6	1.4	1.9	0.2	0.6	27.2
Payment & Maturities.....	5.5	8.5	2.9	0.1	0.2	0.1	17.3
Other Changes (Net) /1.....	(1.7)	1.7	(4.0)	2.3	1.6	1.5	1.4
Assets at Resolution.....	16.5	58.3	12.5	8.5	1.9	7.4	105.1
<u>Resolution & Receivership Reductions</u>							
Assets Passed (Net of Putbacks).....	8.0	19.9	3.3	0.1	0.1	1.5	32.9
Assets Retained (After Putbacks).....	8.5	38.3	9.1	8.5	1.8	5.9	72.1
Principal Collections.....	3.8	5.3	1.5	0.6	0.1	1.0	12.2
Other Changes (Net) /2.....	0.4	0.5	0.4	0.2	0.0	0.3	1.8
Receivership Assets as of December 31, 1990.....	\$4.3	\$32.6	\$7.3	\$7.7	\$1.7	\$4.6	\$58.1

179 Conservatorship Institutions /4

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$39.2	\$53.7	\$8.5	\$8.4	\$4.1	\$6.1	\$119.9
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	13.5	3.2	0.8	1.3	0.0	0.3	19.1
Payment & Maturities.....	10.4	6.4	2.4	0.0	0.2	0.2	19.6
Other Changes (Net) /1.....	(8.4)	3.3	(0.5)	(1.8)	1.2	1.6	(4.6)
Conservatorship Assets as of December 31, 1990.....	\$23.7	\$40.8	\$5.7	\$8.9	\$2.7	\$4.0	\$85.8

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

All 531 Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Beginning of Conservatorship.....	\$77.9	\$126.8	\$21.2	\$21.2	\$7.9	\$15.7	\$270.8
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	32.0	7.8	2.2	3.2	0.2	0.9	46.3
Payment & Maturities.....	15.9	14.9	5.3	0.1	0.4	0.3	36.8
Other Changes (Net) /1.....	(10.1)	5.0	(4.5)	0.5	2.8	3.1	(3.2)
Assets at Resolution.....	16.5	58.3	12.5	8.5	1.9	7.4	105.1
<u>Resolution & Receivership Reductions</u>							
Assets Passed (Net of Putbacks).....	8.0	19.9	3.3	0.1	0.1	1.5	32.9
Assets Retained (After Putbacks).....	8.5	38.3	9.1	8.5	1.8	5.9	72.1
Principal Collections.....	3.8	5.3	1.5	0.6	0.1	1.0	12.2
Other Changes (Net) /2.....	0.4	0.5	0.4	0.2	0.0	0.3	1.8
Conservatorship and Receivership Assets as of December 31, 1990.....	\$28.0	\$73.4	\$13.0	\$16.6	\$4.4	\$8.6	\$143.8

/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 \$3.8 billion of receivership cash and investments available for the payment of expenses and dividends.

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