

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. II NO. 7

July 1991

L. William Seldman, Chairman

David C. Cooke, Executive Director

- * RTC closed 37 thrifts in July and took 8 new institutions into conservatorship. 44 thrifts were closed in August.
- * 511 thrifts were closed by RTC from its inception in August 1989 through August 1991. 16 million deposit accounts have been protected.
- * Assets under RTC control decreased in July for the second consecutive month. Assets totalled \$156 billion on July 31, compared with \$160 billion on June 30, and \$168 billion on May 31.
- * Recoveries from principal collections, net of assets put back to RTC, totalled \$8 billion in July, \$179 billion since inception.

CONSERVATORSHIP CASELOAD AND ASSET INVENTORY

In July, the RTC closed 37 savings associations. The RTC also took 8 institutions into its conservatorship program. As a result, the number of conservatorship institutions dropped to 166 at the end of July.

These 166 conservatorships held \$73 billion in gross assets on July 31, 1991. Of the total, cash and securities (including a substantial amount pledged as collateral against borrowings) represented 29%, performing 1-4 family mortgages 22%, other performing loans 22%, delinquent loans 10%, real estate 10%, investments in subsidiaries 3%, and other assets 4%.

Also under the RTC's jurisdiction were 467 receiverships, resulting from the resolution of thrifts since the RTC's inception, with \$83 billion in assets on July 31. (This total excludes nearly \$6 billion in cash and liquid investments accumulated from receivership collections which are available for payment of

RTC July Caseload (\$ in billions)

	Number	Assets	Liabilities	Deposits
End of June	193	\$88.7	\$96.6	\$74.2
New Conservatorships	8	1.5	1.6	1.3
Resolved Cases *	37	14.3	16.5	12.9
End of July	166	\$73.1	\$81.7	\$62.7

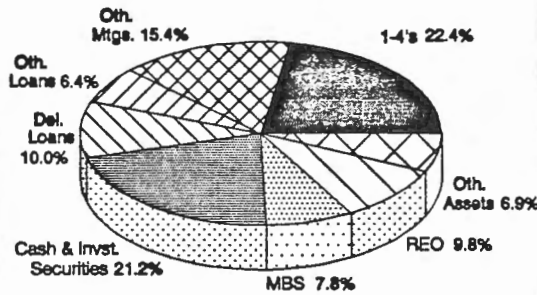
Assets based on preliminary 7/31/91 and 6/30/91 financial reports.

Liabilities and Deposits based on 6/30/91 financial reports.

* Includes two Accelerated Resolution Program (ARP) cases.

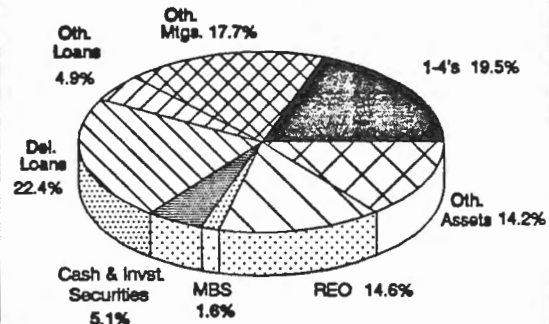
**CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT
As of July 31, 1991**

**CONSERVATORSHIPS
As of July 31, 1991**



(Percentage Of Gross Assets)

**RECEIVERSHIPS
As of July 31, 1991**



(Percentage Of Gross Assets)

**CONSERVATORSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$ 15.5	21.2%
Mtg. Backed Sec.	5.7	7.8
Perf. Lns. - Total	32.3	44.2
1-4 Family Mtgs.	16.4	22.4
Cstrn. & Land	1.6	2.2
Other Mtgs.	9.7	13.2
Other Loans	4.7	6.4
Del. Lns. - Total	7.3	10.0
1-4 Family Mtgs.	0.9	1.3
Cstrn. & Land	1.9	2.6
Other Mtgs.	3.2	4.4
Other Loans	1.3	1.8
Real Estate Owned	7.2	9.8
Subsidiaries	2.0	2.7
Other Assets	3.1	4.3
Gross Assets	\$ 73.1	100.0%

Data based on preliminary 7/31/91 information
Number of institutions: 166

**RECEIVERSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec. *	\$ 4.2	5.1%
Mtg. Backed Sec.	1.3	1.6
Perf. Lns. - Total	34.8	42.2
1-4 Family Mtgs.	16.1	19.5
Cstrn. & Land	2.8	3.4
Other Mtgs.	11.8	14.3
Other Loans	4.1	4.9
Del. Lns. - Total	18.5	22.4
1-4 Family Mtgs.	2.7	3.3
Cstrn. & Land	6.7	8.1
Other Mtgs.	6.6	8.0
Other Loans	2.4	2.9
Real Estate Owned	12.1	14.6
Subsidiaries	4.6	5.6
Other Assets	7.1	8.6
Gross Assets	\$ 82.5	100.0%

Data based on preliminary 7/31/91 information
Number of institutions: 467

* Excludes \$5.7 billion in cash and cash-equivalents accumulated from receivership collections.

expenses and dividends to creditors.) Because many of the relatively marketable assets have been sold before an institution enters a receivership, most of the assets retained by the RTC in receivership consisted of lower quality, less marketable assets. Thus, real estate and delinquent loans represented 37% of the \$83 billion in receivership assets. All assets other than cash, securities, and performing 1-4 family mortgages represented 74% of total receivership assets. Moreover, a substantial amount of the securities and performing mortgages in receiverships were junk bonds and substandard loans.

Including both conservatorships and receiverships, the total \$156 billion of assets under RTC management consisted of: \$27 billion in cash and securities, \$33 billion in performing 1-4 family mortgages, \$35 billion in other performing loans, \$26 billion in delinquent loans, \$19 billion in real estate, \$7 billion in investments in subsidiaries, and \$10 billion in other assets.

From the end of June to the end of July, the amount of assets under RTC control dropped from \$160 billion to \$156 billion. This was the second consecutive monthly decline in total assets under RTC control. RTC assets amounted to \$168 billion at the end of May. The July decrease was the result of significant sales activity coupled with a relatively small number of new conservatorships.

THRIFT CLOSINGS

As of the end of July, RTC resolution activity protected 15.7 million deposit accounts from financial loss. These accounts had an average account balance of \$9,400.

The 37 resolutions in July brought the total number of thrift closings to 467 from the establishment of the RTC in August 1989, through July 31, 1991. These thrifts held \$150 billion in assets at the time of closure. Of the total, \$37 billion of assets, or 24%, 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 as a result of unexpired putback provisions of past resolutions.

Estimated resolution costs for the 467 closed thrifts totalled \$63.5 billion, 36% of their total liabilities at the time of resolution. The cost that would have been incurred if the insured deposits of all 467 institutions had been paid out to depositors would have been \$65.6 billion. The \$2.1 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. These savings were equal to 2.0% of core deposits, represented by deposits with balances below \$80,000.

The 44 resolutions in August brought to 511 the total number of thrifts closed from inception through August 31. Of the 511 cases, 284 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 149 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 78 were insured deposit payouts (POs), in which the RTC directly paid depositors their insured deposits and retained all of the assets. The P&A transactions included 15 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed into conservatorship.

ASSET REDUCTIONS

In July, the proceeds of asset sales and other principal collections were \$9.9 billion. This included sales and principal collections in conservatorship institutions, assets passed to acquirers of resolved thrifts, and sales and principal collections in receivership. Due to asset putbacks of \$2.1 billion, mainly from resolutions in prior months, net asset sales and collections were \$7.8 billion in July.

July activity brought total sales and principal collections since inception to \$179 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 \$179 billion represented 54% of the total assets of all 633 institutions taken over by the RTC at the time they came under its control. The comparable figure for the 467 resolved institutions was considerably higher -- 63% -- reflecting the volume of assets passed at resolution. For the 166 conservatorships existing on July 31, sales and principal collections from inception through July represented 35% of beginning assets.

July sales and collections of \$9.9 billion included \$3.1 billion in sales proceeds from conservatorships, \$1.9 billion in other conservatorship asset collections, \$2.1 billion in resolution sales, and \$2.8 billion in receivership sales and principal collections.

Since its inception, the RTC disposed of \$64 billion through conservatorship sales, \$49 billion in other conservatorship collections, \$37 billion in resolution sales net of putbacks, and \$30 billion in receivership sales and principal collections.

In terms of broad asset categories from inception through July, the RTC disposed of \$82 billion in securities, \$70 billion in mortgages,

\$15 billion in nonmortgage loans, \$6 billion in real estate, and \$7 billion in other assets.

Assets put back to the RTC in July totalled \$2.1 billion. From the inception of RTC through July, asset putbacks totalled \$18.9 billion, which is about 34% of the assets initially passed to acquirers.

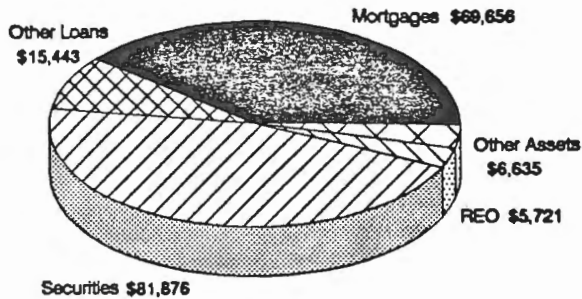
MAJOR ASSET SALES

Some recent RTC asset sales include:

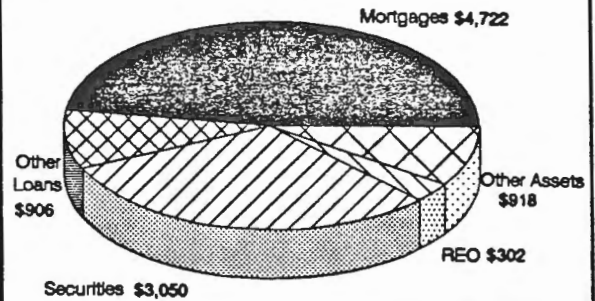
- Timeshare intervals and loans, and certain facilities of Tahoe Seasons Resort, South Lake Tahoe, CA, were sold for \$30.3 million to Glen Ivy Resorts, Inc., Corona, CA, a resort developer and manager. The Tahoe Seasons Resort is a timeshare and hotel project located at the base of Heavenly Valley Mountain ski facility in the Tahoe Basin. The sale included approximately 450 timeshare intervals and a pool of 5,273 timeshare loans, with an unpaid balance of approximately \$47.4 million. Other assets sold include a full-service restaurant with banquet accommodations, a bar and lounge, and a gift shop. The assets were retained by the RTC following the resolution of Broadview Federal Savings Bank, Cleveland, OH, on May 18, 1990.
- The Indigo Run Plantation, a planned unit development in Hilton Head, SC, was sold to Indigo Run Plantation, LP, Hilton Head, SC, for \$24.8 million. The 1,617-acre property is the last significant parcel of land for development on Hilton Head Island. The property was a real estate asset retained by the RTC following the resolution of Southern Floridabanc Federal Savings and Loan Association, Boca Raton, FL, on October 6, 1989.
- An 89-acre tract of vacant land in Austin, TX, was sold to the Austin Diagnostic Clinic of Austin for \$4.22 million. The property, an asset retained by the RTC following the resolution of Southwest Federal Savings Association, Dallas, TX, on July 26, 1991, will be used for a new health care center.
- The Highpoint Medical Center at 800 W. Arbrook Road, Arlington, TX, was sold to Gibbons Development of Arlington, TX, for \$1.38 million. The center was an asset retained by the RTC following the resolution of Metropolitan

ASSET COLLECTIONS
CONSERVATORSHIPS, RESOLUTIONS AND RECEIVERSHIPS
SALES AND COLLECTIONS
(DOLLARS IN MILLIONS)

INCEPTION 1989 THROUGH JULY 1991
(\$ In millions)



JULY 1991
(\$ In millions)



Inception Through July 1991

	Conservatorships		Resolution	Receivership	Total
	Sales	Collections	Sales (Net) *	Sales & Collections	
Securities	\$41,830	\$21,794	\$12,222	\$8,030	\$81,876
Mortgages	13,233	19,233	21,293	15,896	69,656
Other Loans	3,218	6,783	2,393	3,050	15,443
REO	4,318	0	32	1,371	5,721
Other Assets	1,299	1,359	788	3,189	6,635
TOTALS	\$63,898	\$49,170	\$36,728	\$29,538	\$179,331

July 1991

	Conservatorships		Resolution	Receivership	Total
	Sales	Collections	Sales	Sales & Collections	
Securities	\$1,197	\$1,008	\$592	\$253	\$3,050
Mortgages	1,406	649	1,027	1,639	4,722
Other Loans	280	199	112	315	906
REO	153	0	0	149	302
Other Assets	29	49	375	464	918
TOTALS	\$3,065	\$1,906	\$2,106	\$2,820	\$9,897

1991 Year to Date

	Conservatorships		Resolution	Receivership	Total
	Sales	Collections	Sales	Sales & Collections	
Securities	\$10,064	\$8,170	\$2,441	\$2,149	\$22,824
Mortgages	5,475	4,285	6,899	10,444	27,102
Other Loans	1,000	1,519	600	1,726	4,845
REO	940	0	0	793	1,733
Other Assets	227	794	1,712	2,159	4,892
TOTALS	\$17,706	\$14,768	\$11,652	\$17,271	\$81,397

* Net Resolution Sales are net of all putbacks recorded to date.

**RESOLUTION SALES
&
ASSET PUTBACKS
(DOLLARS IN MILLIONS)**

<u>Inception Through July 1991</u>				<u>1991 Year to Date</u>			
	Gross Resolution Sales	Asset Putbacks	Net		Gross Resolution Sales	Asset Putbacks *	Net
Securities	\$12,968	\$748	\$12,222	Securities	\$2,441	\$635	\$1,808
Mortgages	35,850	14,557	21,293	Mortgages	6,899	5,846	1,053
Other Loans	6,498	3,105	2,393	Other Loans	600	1,062	(462)
REO	68	36	32	REO	0	15	(15)
Other Assets	<u>1,205</u>	<u>417</u>	<u>788</u>	Other Assets	<u>1,712</u>	<u>268</u>	<u>1,444</u>
TOTALS	\$55,589	\$18,861	\$36,729	TOTALS	\$11,652	\$7,826	\$3,826

* Asset putbacks during 1991 year to date include assets put back from resolutions prior to 1991 as well as 1991 resolutions.

Note: 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.

Financial Federal Savings and Loan Association, Dallas, TX, on June 22, 1990.

- * A portfolio of single-family residential mortgages from 11 thrifts in southeast Texas was sold to Citibank, New York, NY, and Bank One-Texas, Houston, TX, for \$143 million.
- * Six hotels, offered as part of a portfolio sale of 10 hotel and motel properties, were sold for a total of \$15.9 million. The properties sold were: a 176-room all-suite hotel in Abilene, TX, to the Abilene J.V. Group of Westlake Village, a California based investor group, for \$5.8 million; a 108-room Holiday Inn in Conway, AK, and a 100-room Holiday Inn in Jacksonville, AK, to SMG Inc., a Nashville, TN, investment group, for a total of \$3 million; and a 150-room Ramada Inn in Pensacola, FL, a 157-room Ramada Inn in Lakeland, FL, and a 210-room Travelodge West in Harvey, LA, to Southern Hotels Limited Partnership, Birmingham, AL, for a total of \$7.1 million.
- * Two portfolios of residential mortgage loans held by the RTC following the resolution of American Savings, A Federal Savings and Loan Association, Salt Lake City, UT, on June 8, 1990, were sold for a total of \$53.3 million. Lehman Capital Corporation, New York, NY, purchased one portfolio of 1,172 one- to four-family residential mortgage loans for \$43.1 million. Principal Mutual Life Insurance Company, Des Moines, IA, purchased the second portfolio of 306 one- to four-family residential mortgage loans for \$10.2 million.
- * The Governors Inn in Newport News, VA, was sold to Stanley F. Tseng, trustee of Tseng Trust II of Virginia Beach, VA, for \$1.1 million. The property was an asset of Savers Savings Association, A Federal Savings and Loan Association, Little Rock, AK, which has been operating under FDIC and RTC supervision since February 10, 1989.

SOURCES AND USES OF FUNDS

From its inception through July 31, 1991, the RTC obtained \$161 billion in funds from the following external sources: \$50 billion in FIRREA appropriations, \$30 billion in funding from the Resolution Trust Corporation Funding Act of 1991, and \$57 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$24 billion in recoveries from receiverships.

The FIRREA appropriations include \$30.1 billion from REFCORP, \$18.8 billion in Treasury funding and \$1.2 in FHLB contributions. The Resolution Trust Corporation Funding Act of 1991 provided for an additional \$30 billion in loss funds through Treasury appropriations.

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 467 resolutions through July 31 required outlays of \$135.1 billion from the RTC. Outstanding advances to conservatorships existing at the end of July totalled \$5.3 billion. Interest on FFB borrowings was \$3.6 billion. This left \$17.3 billion in cash on hand on July 31.

NEWS NOTES

RTC AGREES TO SELL \$500 MILLION IN OFFICE AND HOTEL PROPERTIES TO PATRIOT AMERICAN INVESTORS, INC.

The RTC has signed a purchase agreement with Patriot American Investors, L.P., New York, New York, for a portfolio sale of office buildings and hotel properties with an es-

SOURCES AND USES OF FUNDS (\$ in billions) Inception through July 31, 1991

SOURCES:	
Initial Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
FFB Borrowings	57.4
Funds from RTC Funding Act of 1991	30.0
Total External Sources	137.5
Recoveries from Receiverships	23.5
TOTAL SOURCES	\$161.0
USES:	
Resolutions and Receivership Funding	\$ 135.1
Conservatorship Advances Outstanding *	5.3
FFB Interest	3.6
Other Disbursements (Net)**	-0.3
TOTAL USES	143.6
NET CASH AVAILABLE	\$ 17.3

* Conservatorship balances are net principal balances outstanding.
** Includes expenses paid on behalf of conservatorships and other corporate disbursements, less interest payments and expense reimbursements received from conservatorships and other sources.

timated value of \$500 million. Key elements of the sale are: the assets being sold have been widely marketed for at least six months (some for up to two years); the RTC broadly solicited investor interest in its large portfolio of commercial assets, and Patriot American was a successful offeror as a result of this broad solicitation of investor interest; the sales price will equal or exceed the minimum authorized prices for the sale of the assets individually; and Patriot American will select the assets and pay 100 percent of appraised value, as determined by new, independent appraisals.

Patriot American may pay cash or finance the properties through standard seller financing or a 12-year cash-flow participation mortgage, which provides for sharing by the RTC in annual cash flows and the profits on any property sales. Patriot American, as owner of the properties, will assume respon-

sibility for maintaining and improving the properties, and absorbing operating deficits.

One-third of the assets in the portfolio being purchased by Patriot American are hotels, 20 percent of which are underperforming. The balance of the portfolio consists of office buildings, 25 percent of which are underperforming. The specific properties will be selected in the near future, and the sale will be consummated once selection has been completed.

"This is the first major transaction in a series of portfolio sales to be completed under a new pilot program," said RTC Chairman L. William Seidman.

In this pilot program, the RTC will solicit offers and then may finalize sales terms with investors for large portfolios of assets that have been widely marketed for at least six months. Investors may submit cash offers or request any type of financing available from the RTC.

THREE BANK FRAUD INVESTIGATIONS RESULT IN TRIALS, SENTENCING, AND RESTITUTION

Three recent bank fraud investigations have led to the arrest, conviction, and sentencing of a number of former savings and loan officers and real estate developers.

James R. Cruce, Salina, Kansas, former president of Peoples Heritage Federal Savings and Loan Association (Peoples Heritage), Salina, Kansas, was sentenced to 14 years in federal prison and ordered to pay \$8 million in restitution to the RTC after pleading guilty to four counts of bank fraud.

Thomas A. Burger, Rancho Mirage, California, former senior executive vice president and senior loan officer at Peoples Heritage, was sentenced to 12 years in prison and ordered to pay \$6 million in restitution to the

RTC after pleading guilty to five counts of bank fraud and conspiracy.

Thomas D. Dunn, former Peoples Heritage board chairman, was sentenced to eight years in prison, fined \$20,000, and ordered to pay \$5.7 million in restitution to the RTC after pleading guilty to two counts of bank fraud in the Peoples Heritage case.

The three were among 10 persons indicted on January 10, 1991, in a case involving \$105 million in fraudulently obtained loans from Peoples Heritage.

In another bank fraud case, Larry D. Owsley, a residential housing developer in Liberal, Kansas, has been convicted on nine counts of bank fraud involving \$1.1 million in fraudulently obtained loans from the former Colonial Savings of America (Colonial), Liberal, Kansas. Owsley faces sentencing on September 30. Charges against a former vice president at Colonial, Michael R. Bosley, now of Dodge City, Kansas, were dismissed after the government rested its case against him.

As a result of a third investigation, four builders in Monmouth County, New Jersey, have pleaded guilty to paying \$515,000 in kickbacks to an official of the former City Federal Savings Bank (City Federal), Somerset, New Jersey, as a reward for the bank officer's assistance with more than \$116 million in loan approvals.

The official, William J. Spagnoli, Holmdel, New Jersey, a former senior vice president of the former City Federal, is awaiting trial in September on a 30-count indictment. Spagnoli is charged with accepting \$2.5 million in bribes from a total of eight developers in exchange for \$338 million in loans from City Federal. The four builders in Monmouth County are Frank DiMisa, Harry Kantor, and Ronald Acquaviva, all of Holmdel, and Victor Losquadro, of Freehold, New Jersey. The four face up to 10 years in federal prison,

finances, and possible restitution to the RTC, as receiver for City Federal. Sentencing is scheduled for October 29. City Federal was New Jersey's largest thrift, with \$6 billion in assets, when it failed in December 1989.

As of June 30, 1991, the RTC Office of Investigations had uncovered suspected criminal conduct during preliminary reviews in 360 of the 622 thrifts coming under the RTC's control and filed 1,629 criminal referrals with the Department of Justice.

The Justice Department reported that, as of June 6, 1991, it had charged 764 defendants and secured the conviction of 550 individuals in major savings and loan fraud cases. In RTC-controlled thrifts, 402 defendants have been charged in 168 thrifts, with 153 defendants convicted and sentenced to over 289 years, collectively.

As of June 6, 1991, over \$90.9 million in criminal restitution orders have been awarded to the RTC.

FDIC, RTC REACH SETTLEMENT WITH FORMER DREXEL CEO JOSEPH, AMEND CLAIMS FOR JUNK BOND LOSSES AGAINST MICHAEL MILKEN AND OTHERS

On August 15, the FDIC and the RTC announced that they have agreed to settle their claims against Frederick H. Joseph, the former Chief Executive Officer of the Drexel Burnham Lambert securities firm, in a case involving junk bond losses by savings and loan associations.

Joseph is one of several former Drexel insiders, including Michael R. Milken, sued by the FDIC and the RTC to recover approximately \$12 billion in damages suffered by failed S&Ls in junk bond investments. The two agencies alleged 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. A pending civil suit filed by the two agencies in January alleges a scheme by Milken and others involving "bribery, coercion, fraud, and other illegal means."

Under the settlement agreement, Joseph will pay between \$3 million and \$3.5 million. The agreement also requires Joseph to provide his full cooperation in the agencies' continuing prosecution of claims against Milken and other Drexel insiders.

Also, the FDIC and the RTC have filed an amended complaint in their civil suit against Milken and others in the U.S. District Court in New York City. The amended complaint contains a more detailed description of the previously alleged fraudulent schemes and conspiracies, and adds a number of other individual defendants and several additional investment partnerships used in the alleged schemes and conspiracies.

The FDIC, RTC, and other parties in May reached a settlement in the separate Drexel bankruptcy proceeding. That settlement was approved by Federal Judge Milton Pollack in New York on August 9. The bankruptcy settlement is expected to bring several hundred million dollars to the two agencies.

RTC ANNOUNCES PLANNED OFFERING OF WAREHOUSE AND INDUSTRIAL PROPERTIES

On August 14, the RTC's National Sales Center began soliciting investor interest in a sealed bid offering of up to 50 warehouse and industrial properties located throughout the country. The property portfolio also will include some office/warehouse and research and development buildings. It is expected to have an aggregate value of approximately \$60 million.

The assets to be sold are currently being identified and a complete list will be available by the end of September. The properties will be grouped by location, size, and/or type. Prospective buyers will have the option to bid on one or more groups of properties.

The RTC will accept all-cash offers and provide two financing alternatives to qualified bidders: conventional seller financing and seller financing with a profit participation by the RTC.

For further information on the sealed bid offering, contact FGB Realty Advisors, Inc., Dallas, Texas, on 214-444-5539.

RTC TO OFFER \$550 MILLION IN REAL ESTATE, LOANS FROM TWO FAILED ARKANSAS THRIFTS

The RTC has announced the offering of \$550 million in commercial and multi-family real estate and performing and nonperforming mortgage loans from two failed Arkansas thrifts; Savers Savings Association, a FSB, and the former First Savings of Arkansas, F.A., Little Rock. The properties include hotels, apartments, and office and retail buildings located throughout the country.

The assets are being offered in five pools through a competitive bid process. Bids may be submitted for one or all of the pools. Bid due dates range from September 4 through October 9.

RTC seller financing is available to qualified bidders for pools of nonperforming loans. For more information on the offering, contact John Houts at the RTC North Central Regional Office on 1-800-283-3136.

RTC ISSUES FOUR OFFERINGS OF MORTGAGE-BACKED SECURITIES

The RTC issued four offerings of mortgage pass-through securities in August, including

its first offering backed by multi-family mortgage loans. The securities, all rated AA or AAA, are designated:

RTC Mortgage Pass-Through Certificates, Series 1991-3, backed by approximately \$480 million of single-family, fixed-rate mortgages originated by seven savings and loan associations prior to their placement in the RTC's conservatorship program.

RTC Mortgage Pass-Through Certificates, Series 1991-4, backed by approximately \$458 million of single-family, adjustable-rate mortgages originated by six savings and loan associations prior to their placement in the RTC's conservatorship program.

RTC Mortgage Pass-Through Certificates, Series 1991-5, backed by approximately \$195 million of single-family, adjustable-rate mortgage originated by two savings and loan associations prior to their placement in the RTC's conservatorship program.

RTC Multi-Family Mortgage Pass-Through Certificates, Series 1991-M1, backed by approximately \$377 million of multi-family, adjustable-rate mortgages originated by one savings and loan association prior to its placement in the RTC's conservatorship program.

In April, the RTC filed a shelf registration statement with the Securities and Exchange Commission for the sale of \$4 billion of mortgage pass-through securities backed by mortgages from RTC conservatorship and receivership institutions. There have been two previous takedowns from the RTC shelf totaling approximately \$1 billion.

FURTHER INFORMATION

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.

Commonly Called RTC Telephone Numbers

National Sales Center	(202) 416-4200
Real Estate Information Center and Orders for Asset Inventory	(800) 431-0800
Asset Specific Inquiry Service	(800) 782-3006
Bulk Sales Information	(800) 782-8806
Securities Sales (Capital Markets)	(202) 416-7554
Contracting Office	(800) 541-1782
Inquiries Regarding S&Ls for Sale	(800) 782-4033
Office of Corporate Communications - Media Inquiries	(202) 416-7586

Low Income Housing Program	(202) 416-7348
Reading Room - Public Information	(202) 416-6940
Main Operator	(202) 416-6900
RTC Western Regional Office	(800) 283-7823
RTC Southwestern Regional Office	(800) 782-4674
RTC North Central Regional Office	(800) 365-3342
RTC Eastern Regional Office	(800) 234-3342

Note: Regions are as follows:

West - AZ, CA, CO, HI, NM, NV, UT

Southwest - TX

North Central - AK, AR, IA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, MT, ND, OH, OK, OR, SD, WA, WI, WY

East - AL, CT, DC, DE, FL, GA, MA, NC, NH, NJ, NY, PA, PR, RI, SC, TN, VA, VT, WV

RTC Resolutions
Inception to July 31, 1991
(dollars in billions)

Deal Type *	Number of Cases	Total Assets	Estimated Savings Over Payout Cost	Estimated Savings/ Core Deposits **	Percentage of Assets Passed***	Total Deposits	Number of Accounts (000's)
IDT	140	\$24.5	\$0.1	.63 %	11.41 %	\$25.0	2,707
PA	254	119.1	2.0	2.42	28.49	113.4	12,462
PO	73	6.8	0	0	0	8.7	534
Total	467	\$150.5	\$2.1	1.99 %	24.41 %	\$147.0	15,703

* 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. Total Deposits and Number of Accounts are as of the quarter before resolution.

RTC Resolutions
July 1991
(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
Heritage FSB, Richmond, VA	PA	07/05/91	CRFC Interim SB (Greater Bank), Richmond, VA	\$574.4	\$196.0	\$28.4	4.94%
George Washington FSA, Jonesborough, TN	PA	07/05/91	Home FS&LA of Upper E. Tennessee, Johnson City, TN	12.7	1.3	12.2	95.95%
International FS&LA, N. Miami Beach, FL	PO	07/05/91	Payout	46.6	17.7	0.0	0.00%
Vanguard SB, FSB, Vandergrief, PA	PA	07/05/91	S&T Bank, Indiana, PA	115.4	33.0	73.9	64.03%
Colonial FSA, Roselle Park, NJ	IDT	07/05/91	United Countries Trust Co., Cranford, NJ	189.8	118.9	0.7	0.37%
Brookhaven FS&LA, Brookhaven, MS	PA	07/12/91	Magnolia FB for Savings, Hattiesburg, MS	22.4	10.7	15.5	69.35%
Atlantic Permanent Federal, Norfolk, VA	IDT	07/12/91	Branch Sale to various institutions	135.0	94.2	4.0	2.94%
Mutual S&LA, Weatherford, TX	PO	07/12/91	Payout	75.3	21.5	0.0	0.00%
Citizens & Builders FS, FSB, Pensacola, FL	PA	07/12/91	Central Bank of the South, NA, Pensacola, FL	72.6	33.3	24.0	33.00%
Pacific Coast FSA, San Francisco, CA	PA	07/12/91	East West FB, FSB, San Mateo, CA	659.1	59.4	439.5	66.68%
Windcor FSA, Auetin, TX	PO	07/12/91	Payout	79.0	45.5	0.0	0.00%
Capitol FS&LA, Aurora, CO	PA	07/12/91	Central Bank Dever, NA, Denver, CO	513.4	340.4	163.1	31.78%
Commonwealth FSA, New Orleans, LA	IDT	07/12/91	St. Bernard B&TC, Arabi, LA	21.2	18.3	9.7	45.80%
First Jackson FSB, Jackson, MS	PA	07/12/91	Trustmark NB, Jackson, MS	30.7	22.4	9.7	31.66%
First South FSA, Houston, TX	PO	07/12/91	Payout	127.5	456.6	0.0	0.00%
Commerce FSA, San Antonio, TX	PA	07/12/91	Bank of America Texas, NA, Houston, TX	337.8	604.0	26.0	7.69%
Superior SB, FSB, Nacogdoches, TX	IDT	07/19/91	Commercial NB, Nacogdoches, TX	48.2	12.6	13.3	27.58%
Beach SB, FSB, Fountain Valley, CA	PA	07/19/91	Queen City Bank, NA, Long Beach, CA	62.8	5.2	8.9	14.19%
Maibu SB, FSB, Costa Mesa, CA	PA	07/19/91	Brentwood Bank of California, Los Angeles, CA	121.6	24.9	84.7	69.67%
Liberty County FS&LA, Liberty, TX	PA	07/19/91	Bayshore NB, La Porte, TX	13.0	15.5	9.5	73.30%
Eneign FSB, New York, NY	PA	07/19/91	Branch Sale to various institutions	1,081.3	567.5	43.1	3.98%
Clinton S&LA, Clinton, OK	PA	07/19/91	Local Federal, Oklahoma City, OK	21.8	0.9	6.4	29.25%
First S&L Co., FA, Massillon, OH	PA	07/19/91	Branch Sale to various institutions	115.1	23.3	17.7	15.34%
Certified FSA, Georgetown, TX	PO	07/19/91	Payout	58.4	56.0	0.0	0.00%
Family S&LA, FA, Seattle, WA	PA	07/19/91	Puget Sound NB, Tacoma, WA	43.2	5.6	1.2	2.76%

RTC Resolutions

July 1991

(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
Southwest S&LA, FA, Phoenix, AZ	PA	07/19/91	Security Pacific Bank Arizona, Phoenix, AZ	1,110.8	930.3	60.1	5.41%
First City FSB, Luucedale, MS	PA	07/19/91	Magnolia FB for Savings, Hattiesburg, LA	28.2	10.6	18.0	63.74%
First FSA of Conroe, Conroe, TX	PA	07/19/91	Bank One, Texas, NA, Dallas, TX	120.6	34.7	84.3	69.93%
First Savings of Arkansas, Little Rock, AR	PA	07/28/91	Branch Sale to various institutions	709.1	863.4	2.4	0.34%
First SB of New Orleans, FSB, Metairie, LA	PO	07/28/91	Payout	58.3	62.1	0.0	0.00%
Charter SB, FSB, Hattiesburg, MS	PA	07/28/91	Branch Sale to various institutions	25.8	24.2	4.1	15.75%
Germaniabank, FSB, Alton, IL	PA	07/28/91	Mercantile Bank, St. Louis, MO	383.3	124.6	95.9	25.02%
Southwest FSA, Dallas, TX	PA	07/28/91	Guaranty FSB/Kligore FSLA, Dallas, TX	5,483.4	677.5	284.1	0.00%
Fulton FSA, Atlanta, GA	PA	07/28/91	Branch Sale to various institutions	1,214.8	301.9	349.3	28.75%
Sentry SB, FSB, Hyannis, MA	PA	07/28/91	New Bedford Institution for Sav., New Bedford, MA	555.3	162.3	208.9	37.26%
Westland FS&LA, Rawlins, WY	PA	07/28/91	Rawlins NB, Rawlins, WY	31.7	4.1	25.6	80.73%
First SB of Hempstead, FSB, Hempstead, TX	PO	07/28/91	Payout	25.8	2.6	0.0	0.00%
Total				14,325.7	5,974.9	2,122.1	14.81%
Grand Total—Inception through July 31, 1991				\$150,485.4	\$63,500.3	\$36,729.0	24.41%

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.

**Beginning Assets and Asset Reductions
Inception Through July 1991
(\$ in billions)**

467 Closed Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$57.8	\$112.2	\$17.2	\$18.9	\$6.2	\$13.8	\$226.1
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	28.2	8.7	1.9	3.4	0.2	0.9	43.3
Payment & Maturities.....	12.9	15.1	4.9	0.1	0.3	0.2	33.7
Other Changes (Net) /1.....	(7.8)	3.9	(3.0)	2.0	(0.3)	3.9	(1.3)
Assets at Resolution.....	24.5	84.5	13.3	13.4	6.0	8.8	150.5
<u>Resolution & Receivership Reductions</u>							
Assets Passed (Net of Putbacks).....	12.2	21.3	2.4	0.0	0.5	0.3	36.7
Assets Retained (After Putbacks).....	12.3	63.2	10.9	13.4	5.5	8.5	113.8
Principal Collections.....	6.0	15.9	3.1	1.4	0.8	2.4	29.5
Other Changes (Net) /2.....	0.8	0.5	1.4	(0.0)	(0.1)	(1.0)	1.7
Receivership Assets as of July 31, 1991.....	\$5.5	\$46.8	\$6.4	\$12.1	\$4.6	\$7.1	\$82.5

166 Conservatorship Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$37.0	\$42.9	\$8.9	\$7.2	\$3.2	\$4.5	\$103.7
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	13.6	4.5	1.3	0.8	0.1	0.2	20.5
Payment & Maturities.....	8.9	4.1	1.9	0.1	0.6	0.2	15.7
Other Changes (Net) /1.....	(6.7)	0.6	(0.2)	(0.8)	0.6	1.0	(5.5)
Conservatorship Assets as of July 31, 1991.....	\$21.2	\$33.6	\$6.0	\$7.2	\$2.0	\$3.1	\$73.1

**Beginning Assets and Asset Reductions
Inception Through July 1991
(\$ in billions)**

All 633 Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$94.8	\$155.1	\$26.1	\$26.2	\$9.4	\$18.3	\$329.8
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	41.8	13.2	3.2	4.2	0.2	1.1	63.7
Payment & Maturities.....	21.8	19.2	6.8	0.2	1.0	0.4	49.3
Other Changes (Net) /1.....	(14.5)	4.5	(3.2)	1.2	0.3	5.0	(6.8)
Assets at Resolution.....	24.5	84.5	13.3	13.4	6.0	8.8	150.5
<u>Resolution & Receivership Reductions</u>							
Assets Passed (Net of Putbacks).....	12.2	21.3	2.4	0.0	0.5	0.3	36.7
Assets Retained (After Putbacks).....	12.3	63.2	10.9	13.4	5.5	8.5	113.8
Principal Collections.....	6.0	15.9	3.1	1.4	0.8	2.4	29.5
Other Changes (Net) /2.....	0.8	0.5	1.4	(0.0)	(0.1)	(1.0)	1.7
Conservatorship and Receivership Assets as of July 31, 1991.....	\$26.7	\$80.4	\$12.4	\$19.3	\$6.6	\$10.2	\$155.6

/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 \$5.7 billion of receivership cash and investments available for the payment of expenses and dividends.