

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. III NO. 2

February 1992

Albert V. Casey, President & CEO

David C. Cooke, Senior Vice President,
Division of Planning and Corporate Relations

- * RTC Closed 1 Thrift in December and 5 Thrifts in January.
- * 589 Thrifts Closed by RTC from its Inception in August 1989 Through January 1991. 19.3 Million Deposit Accounts have been Protected.
- * Recoveries from Principal Collections, Net of Assets Put Back to RTC, Total \$10 Billion in December, \$228 Billion Since Inception.

RTC CASELOAD

In December, the RTC closed one savings association. The RTC also took one institution into its conservatorship program. As a result, the number of conservatorship institutions remained at 91 at the end of December. These resolutions increased the number of receiverships to 584 at the end of December.

The pace of resolutions slowed considerably towards the end of 1991 as the RTC approached its funding limits. In November, Congress passed the RTC Refinancing, Restructuring, and Improvement Act of 1991, which provides an additional \$25 billion in loss funds for the RTC. Following this action, the RTC initiated the marketing process for 53 institutions. Resolution activity increased slightly in January (five resolutions) and is expected to increase more in February and March.

ASSET INVENTORY

On December 31, there were \$129 billion of assets under RTC management, including both conservatorships and receiverships. The total consisted of: \$17 billion in cash and securities, \$23 billion in performing 1-4 family mortgages, \$30 billion in other performing loans, \$26 billion in delinquent loans, \$16

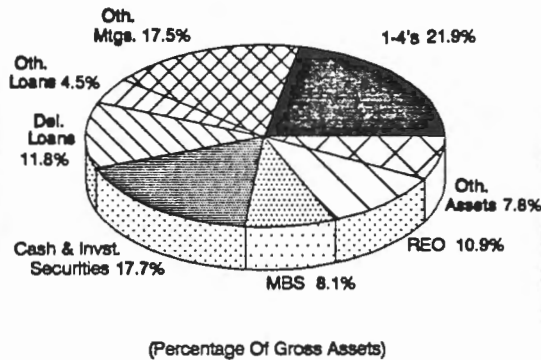
RTC December Caseload (\$ in billions)

	Number	Assets	Liabilities	Deposits
End of November	91	\$48.7	\$49.5	\$37.9
New Conservatorships	1	2.0	1.9	1.4
Resolved Cases	1	0.0	0.0	0.0
End of December	91	\$47.3	\$51.4	\$39.2

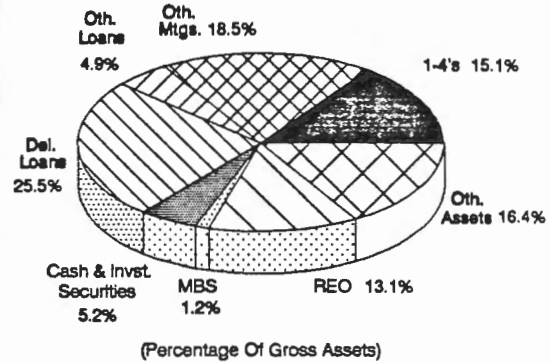
Assets based on preliminary 12/31/91 and 11/30/91 financial reports.
Liabilities and Deposits based on 11/30/91 financial reports.

CONSERVATORSHIP, RECEIVERSHIP ASSETS UNDER RTC MANAGEMENT As of December 31, 1991

CONSERVATORSHIPS As of December 31, 1991



RECEIVERSHIPS As of December 31, 1991



CONSERVATORSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$ 8.4	17.7%
Mtg. Backed Sec.	3.8	8.1
Perf. Lns. - Total	20.7	43.9
1-4 Family Mtgs.	10.3	21.9
Cstrn. & Land	1.8	3.9
Other Mtgs.	6.4	13.6
Other Loans	2.1	4.5
Del. Lns. - Total	5.6	11.8
1-4 Family Mtgs.	0.6	1.3
Cstrn. & Land	1.9	3.9
Other Mtgs.	2.4	5.0
Other Loans	0.7	1.5
Real Estate Owned	5.1	10.9
Subsidiaries	1.3	2.7
Other Assets	2.4	5.1
Gross Assets	\$ 47.3	100.0%

Data based on preliminary 12/31/91 information
Number of institutions: 91

RECEIVERSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec. *	\$ 4.2	5.2%
Mtg. Backed Sec.	1.0	1.2
Perf. Lns. - Total	31.6	38.6
1-4 Family Mtgs.	12.4	15.1
Cstrn. & Land	1.2	1.5
Other Mtgs.	13.9	17.0
Other Loans	4.0	4.9
Del. Lns. - Total	20.8	25.5
1-4 Family Mtgs.	2.2	2.7
Cstrn. & Land	5.1	6.2
Other Mtgs.	11.1	13.5
Other Loans	2.5	3.1
Real Estate Owned	10.7	13.1
Subsidiaries	5.7	7.0
Other Assets	7.7	9.4
Gross Assets	\$ 81.8	100.0%

Data based on preliminary 12/31/91 information
Number of institutions: 584

* Excludes \$8.9 billion in cash, investments (including restricted investments), and accounts receivable accumulated by Receiverships.

billion in real estate, \$7 billion in investments in subsidiaries, and \$10 billion in other assets.

In December, the amount of assets under RTC control dropped from \$137 billion to \$129 billion.

The 91 conservatorships held \$47 billion in gross assets on December 31, 1991. Of the total, cash and securities (including a substantial amount pledged as collateral against borrowings) represented 26%; performing 1-4 family mortgages, 22%; other performing loans, 22%; delinquent loans, 12%; real estate, 11%; investments in subsidiaries, 3%; and other assets, 5%.

The 584 receiverships held \$82 billion in assets on December 31. 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 39% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 22% of receivership assets. Moreover, a substantial amount of the securities and performing mortgages in receiverships were junk bonds and substandard loans. The \$82 billion excludes approximately \$9 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections.

THRIFT CLOSINGS

The RTC closed one institution in December and five institutions in January. As of the end of December, RTC resolutions have protected 18.8 million deposit accounts from financial loss. These accounts had an average account balance of \$9,500. An additional 522,000 accounts were protected in January.

The December resolution brought the total number of thrift closings to 584 from the establishment of the RTC in August 1989

through December 31, 1991. These thrifts held \$181 billion in assets at the time of closure. Of the total, \$40 billion of assets, or 22%, 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.

Estimated resolution costs for the 584 closed thrifts totalled \$77.2 billion, 36% of their total liabilities at the time of resolution. If the insured deposits of all 584 institutions had been paid out to depositors, the estimated resolution cost would have been \$79.8 billion. The \$2.5 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. These savings were equal to 2% of core deposits, represented by deposits with balances below \$80,000.

Some of the characteristics of the 584 resolutions were as follows:

Transaction Type Of the 584 cases, 344 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 156 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 84 were insured deposit payouts (POs) in which the RTC directly paid depositors their insured deposits and retained all of the assets.

Most attractive franchises were resolved using P&As, and these acquirers paid considerably higher premiums over deposit payout costs: 2.4% of core deposits, compared to .7% for IDTs. Although 59% of RTC resolutions were P&As, these transactions accounted for 79% of the deposits that have been made whole by the RTC from its inception through December 1991. The percentage of resolu-

**Resolution Trust Corporation
Characteristics of 584 Resolutions
Inception to December 31, 1991
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	341	\$101.9	\$1 Billion or more	39	\$102.6
Thrift	159	71.7	\$500 to 999 Million	36	25.1
TOTAL--Acquirers	500	173.6	\$250 to 499 Million	53	18.5
Payouts	84	7.5	Under \$250 Million	456	34.8
TOTAL	584	\$181.0	TOTAL	584	\$181.0

Location of Resolved Institution	Number of Cases	Total Assets	Number of Bids Received	Number of Cases	Total Assets
Texas	131	\$34.5	5 or more bids	160	\$68.2
California	49	28.7	4 bids	51	24.6
Illinois	43	16.8	3 bids	82	17.7
Louisiana	47	3.3	2 bids	101	36.4
Florida	31	16.8	1 bid	128	28.1
New Jersey	23	9.0	No bids	62	6.0
Kansas	20	3.8	TOTAL	584	\$181.0
Other	240	68.2			
TOTAL	584	\$181.0			

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	49	\$4.7	5% or more	57	\$15.7
50 to 74.9%	74	14.1	3 to 4.9%	54	39.0
25 to 49.9%	117	50.0	1 to 2.9%	143	43.0
Under 25%	344	112.2	Under 1%	330	83.3
TOTAL	584	\$181.0	TOTAL	584	\$181.0

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	73	\$17.1
40 to 59.9%	154	35.2
20 to 39.9%	225	82.6
Under 20%	132	46.1
TOTAL	584	\$181.0

* 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 liability data reflect post-closing revisions.

**Resolution Trust Corporation
Characteristics of 21 Resolutions
Fourth Quarter 1991
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	12	\$2.1	\$1 Billion or more	2	\$2.2
Thrift	9	2.5	\$500 to 999 Million	1	0.6
TOTAL--Acquirers	21	4.6	\$250 to 499 Million	1	0.3
Payouts	0	0.0	Under \$250 Million	17	1.4
TOTAL	21	\$4.6	TOTAL	21	\$4.6

Location of Resolved Institution	Number of Cases	Total Assets	Number of Bids Received	Number of Cases	Total Assets
New Jersey	4	\$0.6	5 or more bids	12	\$2.8
Pennsylvania	2	1.4	4 bids	2	0.5
Kansas	2	0.2	3 bids	2	0.1
Illinois	2	0.1	2 bids	5	1.2
Other	11	2.3	1 bid	0	0.0
TOTAL	21	\$4.6	No bids	0	0.0
			TOTAL	21	\$4.6

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	9	\$0.8	5% or more	5	\$0.1
50 to 74.9%	4	0.5	3 to 4.9%	3	0.2
25 to 49.9%	2	1.2	1 to 2.9%	8	3.2
Under 25%	6	2.1	Under 1%	5	1.0
TOTAL	21	\$4.6	TOTAL	21	\$4.6

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	2	\$1.8
40 to 59.9%	4	0.4
20 to 39.9%	4	0.6
Under 20%	11	1.8
TOTAL	21	\$4.6

* 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 liability data reflect post-closing revisions.

tions using the P&A transaction was higher (95%) during the quarter ending in December.

The P&A transactions included 25 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed in the conservatorship program. Two of the five resolutions in January were ARPs.

Type of Acquirer Banks acquired 341 of the resolved institutions, while thrifts acquired 159.

Number of Bids About half of the institutions attracted two or fewer bids; 23% attracted three or four bids; and 27% attracted five or more bids.

The average number of bids increased during the quarter ending in December 1991: from the inception of the RTC to September 1991, the RTC received about 2.7 bids per closing; for the quarter ending in December, the RTC received about four bids per closing. Nearly 60% of the cases in the last quarter received five or more bids.

Thrift Size Whereas 78% of the resolved institutions had assets of less than \$250 million, there have been 39 resolutions of thrifts with more than \$1 billion in assets. These 39 thrifts accounted for 57% of the assets held by resolved thrifts.

Location About 22% of the resolutions were Texas institutions. Other states with a large number of resolutions were California, Illinois, Louisiana, and Florida. Resolved institutions from Texas and California held the most assets, followed by Florida.

Assets Sold to Acquirers In 59% of the cases, less than 25% of the assets were sold to acquirers. However, in 49 cases, 75% or more of the assets were passed to acquirers. Most

of the assets purchased were securities and 1-4 family mortgages.

Estimated Resolution Costs Estimated resolution costs were under 40% of liabilities in 357 cases, but over 60% for 73 cases.

Savings Over Insured Deposit Payout Costs Estimated savings over insured deposit payout costs were less than 1% of core deposits in 57% of the resolutions; however, these resolutions represented only 46% of total assets.

ASSET REDUCTIONS

In December, the proceeds of asset sales and other principal collections were \$10.2 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 \$100 million, net sales and collections were \$10.1 billion in December.

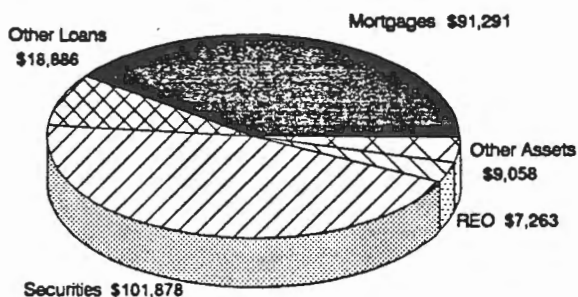
December activity brought total sales and principal collections since inception to \$228 billion, net of putbacks to date. As noted earlier, additional assets may be returned to the RTC under unexpired putback provisions of resolution transactions.

The \$228 billion represented 65% of the total assets of all 675 institutions taken over by the RTC at the time they came under its control. The comparable figure for the 584 resolved institutions was higher -- 70% -- reflecting the volume of assets passed at resolution and the amount of time that these institutions have been under RTC control. For the 91 conservatorships existing on December 31, sales and principal collections from inception through December were only 24% of beginning assets.

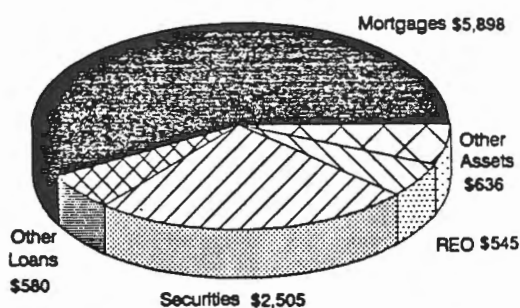
December sales and collections of \$10.2 billion included \$3.3 billion in sales proceeds from conservatorships, \$1.5 billion in other conservatorship asset collections, and \$5.3

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

**INCEPTION 1989 THROUGH DECEMBER 1991
(\$ In millions)**



**DECEMBER 1991
(\$ In millions)**



Inception Through December 1991

	Conservatorships		Resolution	Receivership	Total
	Sales	Collections	Sales (Net) *	Sales & Collections	
Securities	\$48,591	\$29,028	\$16,088	\$10,171	\$101,878
Mortgages	19,200	21,895	20,065	30,130	91,291
Other Loans	3,627	7,413	3,105	4,741	18,886
REO	4,839	0	56	2,367	7,263
Other Assets	1,383	1,684	948	5,043	9,058
TOTALS	\$75,641	\$60,020	\$40,260	\$52,452	\$228,373

December 1991

	Conservatorships		Resolution	Receivership	Total
	Sales	Collections	Sales	Sales & Collections	
Securities	\$1,506	\$705	\$25	\$269	\$2,505
Mortgages	1,577	564	8	3,748	5,898
Other Loans	72	93	0	414	580
REO	150	0	0	395	545
Other Assets	0	133	3	500	636
TOTALS	\$3,308	\$1,494	\$36	5,326	\$10,163

1991 Year to Date

	Conservatorships		Resolution	Receivership	Total
	Sales	Collections	Sales	Sales & Collections	
Securities	\$14,561	\$15,780	\$8,115	\$6,613	\$45,070
Mortgages	11,431	6,955	8,985	24,678	52,050
Other Loans	1,407	2,136	1,091	3,417	8,051
REO	1,546	0	33	1,789	3,369
Other Assets	312	1,034	472	3,689	5,508
TOTALS	\$29,258	\$25,908	\$18,697	\$40,187	\$114,047

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

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

<u>Inception Through December 1991</u>				<u>1991 Year to Date</u>			
	Gross Resolution Sales	Asset Putbacks	Net		Gross Resolution Sales	Asset Putbacks *	Net
Securities	17,183	1,097	\$16,086	Securities	\$8,115	\$987	\$7,128
Mortgages	37,936	17,872	20,065	Mortgages	8,985	9,160	(175)
Other Loans	5,990	2,885	3,105	Other Loans	1,091	842	249
REO	105	49	56	REO	33	28	6
Other Assets	<u>1,420</u>	<u>472</u>	<u>948</u>	Other Assets	<u>472</u>	<u>322</u>	<u>150</u>
TOTALS	\$62,634	\$22,374	\$40,260	TOTALS	\$18,697	\$11,339	\$7,358

* 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.

billion in receivership sales and principal collections.

Since its inception, the RTC disposed of \$76 billion through conservatorship sales, \$60 billion in other conservatorship collections, \$40 billion in resolution sales (net of putbacks), and \$52 billion in receivership sales and principal collections. From inception through December, the RTC disposed of \$102 billion in securities, \$91 billion in mortgages, \$19 billion in non-mortgage loans, \$7 billion in real estate, and \$9 billion in other assets.

In terms of book value, December asset reductions were \$11.6 billion. The average recovery rate on the collection of these assets was 88%. From the inception of the RTC through December, book value asset reductions were \$240 billion, and the RTC recovered 95% on these collections.

The RTC also collected \$551 million in receivership income in December. From its inception to December 31, 1991, the RTC has collected \$8.9 billion in receivership income.

ASSET PUTBACKS

Assets put back to the RTC in December, primarily from assets passed to acquirers in earlier months, totalled \$100 million. From the inception of the RTC through December, asset putbacks totalled \$22.4 billion, which is about 36% of the assets initially passed to acquirers.

On December 31, 1991, outstanding assets subject to put totalled \$823 million. This figure represents assets that the RTC might be required to purchase from acquirers of failed thrifts over the next few months.

MAJOR ASSET SALES

Some recent RTC asset sales include:

- * Thirteen multifamily properties in TX were sold under the RTC's Affordable Housing Disposition Program. The properties were sold to the National Corporation for Housing Partnerships, Washington, DC, for \$19.1 million. Under the terms of the affordable housing program, 896 of the 2,548 units purchased will be made available to low-income households at restricted rents for between 40 and 50 years.
- * A non-performing mortgage loan securing Cascades Office Building, a 308,000-square-foot building in Englewood, CO, was sold to Cascades Denver Corporation, Denver, CO, for \$14.1 million. The loan was an asset retained by the RTC following the resolution of First Savings of Arkansas, F.A., Little Rock, AR, on July 26, 1991.
- * The Holiday Inn, a 236-room hotel in downtown Iowa City, IA, was sold to Larken Iowa City Limited Partnership, Cedar Rapids, IA, for \$10.6 million. The property was an asset retained by the RTC following the resolution of Midwest Savings Association, FA, Minneapolis, MN, on October 5, 1990.
- * Mira Vista, a residential 18-hole golf course development on 570 acres, including a 40,000-square-foot country club, two swimming pools, and eight tennis courts, was sold to J.R. Bartlett Inc., Fort Worth, TX, for \$9.5 million. The project was an asset retained by the RTC following the resolution of Metropolitan Financial Federal Savings and Loan Association, Dallas, TX, on June 22, 1990.
- * A portfolio containing 269 performing single-family mortgages, commercial loans, and consumer loans, was sold to Southbank, F.S.B., Corinth, MS, for \$8.5 million. The loans were assets retained by the RTC following the resolution of Texarkana Federal Savings & Loan Association, Texarkana, AR, on August 30, 1991.
- * A portfolio containing 403 loans on mobile homes and lots in the Happy Trails RV Park in Surprise, AZ, was sold to First Western National Bank of Moab, Moab, UT, for \$8.1 million. The loans were assets retained by the RTC following the resolution of Western Savings and Loan Association, F.A., Phoenix, AZ, on May 31, 1990.

ASSET MANAGEMENT CONTRACTS

The RTC placed \$3.5 billion in assets under SAMDA (Standard Asset Management and Disposition Agreement) contracts during the quarter ending December 31, 1991. From its inception through December 1991, \$33.4 billion in assets have been placed under contract.

ASSET MANAGEMENT CONTRACTS (DOLLARS IN MILLIONS)

	Inception Through December 31, 1991	1991 Year to Date	Fourth Quarter 1991
Number of Contracts	170	105	22
Estimated Book Value of Assets *	\$ 33,376	\$ 23,062	\$ 3,534
Estimated Fees per Annum	192	127	21
Total Estimated Fees	573	376	63

SAMDA contracts are used primarily to move hard-to-sell assets under private sector management as quickly as possible. Most of the assets under contract are foreclosed or other real estate and delinquent loans.

SOURCES AND USES OF FUNDS

From its inception through December 31, 1991, the RTC obtained \$137 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 \$45 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 584 resolutions through December 31 required outlays of \$163.8 billion from the RTC. Outstanding advances to conservatorships existing at the end of December totalled \$4.9 billion. Interest on FFB borrowings was \$4.8 billion. This left \$8.8 billion in cash on hand on December 31.

SOURCES AND USES OF FUNDS	
(\$ in billions)	
Inception through December 31, 1991	
SOURCES:	
Initial Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
FFB Borrowings	57.0
Funds from RTC Funding Act of 1991	30.0
Total External Sources	137.1
Recoveries from Receiverships	45.3
TOTAL SOURCES	\$182.4
USES:	
Resolutions and Receivership Funding	\$ 163.8
Conservatorship Advances Outstanding *	4.9
FFB Interest	4.8
Other Disbursements (Net)**	0.1
TOTAL USES	173.6
NET CASH AVAILABLE	\$ 8.8
<small>* 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.</small>	

NEWS NOTES

ALBERT V. CASEY CONFIRMED BY SENATE; NEW PRESIDENT AND CHIEF EXECUTIVE STREAMLINES RTC

Albert V. Casey, confirmed January 31, 1992, by the Senate as the first President and Chief Executive Officer of the RTC, announced major revisions to the agency's bylaws and established a new organizational structure designed to streamline and enhance operations.

The changes put into effect by Mr. Casey alter both field and headquarters operations. A new Executive Committee, empowered with broad authority, has been established in Washington to assist Mr. Casey in the development, review, and implementation of RTC programs. In addition, RTC field offices have been given increased responsibility over the management and sale of assets ac-

quired by the RTC from insolvent savings institutions.

Mr. Casey's improvements to the RTC's operating structure reflect the thrust of the modifications discussed with the Congress and the Thrift Depositor Protection Oversight Board prior to enactment of the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 (RTC Act), which became effective February 1, 1992. The RTC Act abolished the RTC's Board of Directors, replacing it with the new position of Chief Executive Officer.

"If the RTC is to serve the public while keeping the taxpayers' costs to a minimum, we must become more responsive and efficient," said Mr. Casey. "We need faster decision making, a clear chain of command, and no duplication of effort. These changes, combined with expanded authority for field offices to sell assets and conduct other operations, give the RTC a sound foundation for better performance."

In the RTC Act, Congress gave the RTC's Chief Executive Officer full authority to exercise all powers of the RTC and to delegate authority as he deems appropriate. Mr. Casey has delegated considerable operating authority to the Executive Committee of the Corporation and to senior RTC executives. The Executive Committee shall review and recommend regulations and policies and advise Mr. Casey, who now serves as President and CEO. He has reserved for himself final responsibility and authority for rule-making.

The Executive Committee is chaired by Gerald L. Jacobs, Senior Vice President and General Counsel. The other Committee members are: David C. Cooke, Senior Vice President for Planning and Corporate Relations; Lamar C. Kelly, Jr., Senior Vice President for Asset Management and Sales; and William H. Roelle, Senior Vice President and Chief Financial Officer.

The structural changes reflect Mr. Casey's intention to improve RTC responsiveness to the public, keep taxpayers' costs down, accelerate decision-making, and eliminate duplicative review of operational matters. New delegations of authority are being implemented. These revisions will result in the referral of fewer asset sales proposals to Washington and vastly expanded authority for RTC field managers.

RTC HOLDS FOUR OFFERINGS OF MORTGAGE-BACKED SECURITIES

The RTC held four offerings of mortgage pass-through securities in January totaling about \$1.4 billion, including its first offering backed by manufactured housing contracts. The securities, all rated AA or AAA, were RTC Mortgage Pass-Through Certificates, Series 1992-1 and 1992-2; RTC Multifamily Mortgage Pass-Through Certificates, Series 1992-M1; and RTC Manufactured Housing Contract Pass-Through Certificates, Series 1992-MH1.

The Series 1992-1 securities are backed by approximately \$470 million of single-family, adjustable-rate mortgages originated by approximately 38 savings associations prior to their placement in the RTC's conservatorship program. Merrill Lynch & Co. served as the lead managing underwriter for the offering.

The Series 1992-2 securities are backed by approximately \$440 million of single-family, fixed-rate mortgages originated by approximately 200 savings associations prior to their placement in the RTC's conservatorship program. Lehman Brothers served as the lead managing underwriter for the offering.

The Series 1992-M1 securities are backed by approximately \$290 million of multifamily, fixed- and adjustable-rate mortgages originated by one savings association prior to its placement in the RTC's conservatorship program. Kidder Peabody & Co., Inc. served

as the lead managing underwriter for the offering.

The Series 1992-MH1 securities are backed by approximately \$220 million of manufactured housing contracts originated by four savings associations prior to their placement in the RTC's conservatorship program. Merrill Lynch served as the lead managing underwriter for the offering.

The mortgages and contracts backing the offerings are performing and generally do not conform to Fannie Mae's or Freddie Mac's standards. By securitizing non-conforming mortgages, the RTC can produce a more marketable asset, significantly improving cash recoveries for the taxpayer.

In April 1991, 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. In September 1991, the RTC filed with the Securities and Exchange Commission for the sale of an additional \$10 billion of such securities. There have been 23 previous takedowns from the RTC's \$14 billion shelf totaling approximately \$10.2 billion.

PHOENIX REAL ESTATE AGENT CHARGED IN AFFORDABLE HOUSING SCHEME; GUILTY PLEA IN MASSACHUSETTS LAND FLIP CASE

Real estate agent Forrest Burdick of Phoenix, Arizona, was indicted on January 15, 1992, by a federal grand jury in Phoenix on nine counts of filing false statements with the RTC while attempting to purchase property in Arizona under the RTC's Affordable Housing Disposition Program. Burdick's indictment followed an investigation by the RTC's Office of Inspector General (OIG), which was initiated based on a referral from the RTC's Phoenix Sales Center.

The RTC's affordable housing program is intended to provide housing to qualified low- and moderate-income individuals and families who obtain certification of housing eligibility from the RTC. All of the certifications are reviewed for compliance with the program.

The indictment alleges that Burdick filed 12 sealed-bid contracts using the names of three persons who purportedly intended to purchase homes in the Phoenix area under the affordable housing program; three of the bids were determined to be winning bids by the RTC. According to the indictment, the persons named on the contracts never intended to purchase the properties, and Burdick falsified financial information about them to make it appear that they qualified for the program when they did not.

If convicted of the charges, Burdick faces more than 10 years imprisonment and more than \$100,000 in fines.

FOUR INDIVIDUALS, NEW YORK BUSINESS INDICTED FOLLOWING RTC PROBE OF S&L FRAUD IN RALEIGH

Four individuals and a New York company were indicted on January 29, 1992 by a federal grand jury in Raleigh, North Carolina, for defrauding the failed First Federal Savings Association of Raleigh (First Federal).

The 23-count indictment followed a seven-month investigation by the RTC Office of Inspector General (OIG), initiated after RTC employees on site at First Federal reported the alleged fraud. First Federal has been under RTC supervision since December 7, 1990.

Louis Mancuso and his wife, Susan Mancuso, of Wake Forest, North Carolina; Robert Schmidt of New Berlin, Wisconsin; R. Philip Hartman of Fairport, New York; and

Hartman Rack Products, Inc. of Waterloo, New York, were charged with engaging in several schemes to divert in excess of \$550,000 owed to First Federal to repay business loans made to the Mancusos and two corporations owned and operated by them: Precision Erectors, Inc. and Piedmont Installers, Inc., both of Youngsville, North Carolina.

The Mancusos were each charged with three counts of conspiracy to commit bank fraud and 17 counts of bank fraud in connection with three different loans obtained from First Federal to finance the business activities of Precision Erectors, Inc. Louis Mancuso was also charged with making two false statements to First Federal to prevent the thrift from discovering the diversion of funds and to obtain additional funds from First Federal.

Hartman Rack Products, Inc. and its president, R. Philip Hartman, were charged with conspiring with the Mancusos to commit bank fraud and 10 counts of bank fraud relating to a loan obtained by the Mancusos in May 1990 to finance a job contract with Hartman Rack. The indictment alleged that R. Philip Hartman assisted the Mancusos in diverting in excess of \$230,000 that was owed by Hartman Rack to First Federal to repay the loan. R. Philip Hartman was also charged with one count of making a false statement to First Federal to conceal the payments made directly to the Mancusos.

Robert Schmidt, a subcontract administrator with Harnischfeger Engineers, Inc. Brookfield, Wisconsin, was also charged with conspiring with the Mancusos to commit bank fraud relating to two separate loans obtained by the Mancusos from First Federal in July 1990 and October 1990. The loans were obtained to finance job contracts between Precision Erectors and Harnischfeger. The indictment alleged that Schmidt funneled nearly \$320,000 to the Mancusos that was owed by Harnischfeger to First Federal.

Schmidt was also charged with seven counts of bank fraud relating to these two loans.

Each of the defendants could receive a maximum sentence of 20 years imprisonment and a \$1 million fine on each bank fraud and false statement count, and a maximum sentence of five years imprisonment and a \$250,000 fine on each conspiracy count.

OVER 500 PARTICIPATE IN RTC AND FDIC NATIONAL SYMPOSIUM FOR MINORITY- AND WOMEN-OWNED LAW FIRMS

More than 500 lawyers nationwide attended a contracting seminar in January in Dallas, Texas, to learn about business opportunities available from the RTC and the FDIC.

This national symposium, held between January 17 and 19, was designed to speed RTC and FDIC registration of minority and women lawyers and law firms, and to increase the number of legal matters referred to them. The symposium included informational seminars and interview sessions conducted by RTC and FDIC legal division representatives.

"The success of the symposium will be measured by the number of eligible participants who get on our list of available counsel and enter into contracts to provide legal services to the RTC and FDIC," said RTC Senior Vice President and General Counsel Gerald L. Jacobs.

The symposium was co-sponsored by the National Bar Association, the Hispanic National Bar Association, the National Asian Pacific American Bar Association, the American Indian Bar Association, and the National Association of Women Lawyers. The symposium marked the first time that the nation's minority and women bar associations joined forces to participate in such an event.

RTC RELEASES QUARTERLY EDITION OF ITS JUNK BOND INVENTORY

On January 27, 1992, the RTC released the quarterly edition of its junk bond inventory, which contains securities with a face value of \$2.8 billion (excluding equity securities) from 32 institutions, a decrease from \$3.5 billion on October 3, 1991.

Since January 1991, the RTC has sold \$3.8 billion of junk bonds, bringing cumulative totals of junk bond sales since the RTC's inception in August 1989 to \$6.1 billion.

The format of the RTC's high-yield inventory is now divided into five sections: (1) Debt Securities; (2) Preferred Stock, Common Stock, and Foreign Equity; (3) Warrants; (4) HLT Loans; and (5) Limited Partnerships. Preferred stock, common stock, foreign equity, and warrants will be reflected by the number of shares rather than face value.

Copies of the RTC's high-yield portfolio may be obtained from FaxMedia.

JAMES V. FORRESTAL NAMED DIRECTOR OF RTC GULF COAST CONSOLIDATED OFFICE

The RTC has announced the appointment of James V. Forrestal as Director of its Gulf Coast Consolidated Office in Houston, Texas.

Mr. Forrestal previously served as Director of the Southern Consolidated Office in San Antonio, Texas. Replacing Mr. Forrestal is Robert Rhoades of the Southern Consolidated Office, who will serve as Acting Director until a permanent Director is named.

"With his strong management background and his knowledge of finance, contracting, and sales, Mr. Forrestal has already made a significant contribution to the RTC," said

RTC Southwest Regional Vice President Carmen Sullivan. "We are pleased to have a person with his experience heading the Gulf Coast Consolidated Office."

Prior to joining the RTC in 1989, Mr. Forrestal was with the FDIC where he had been employed since 1970. He served in the FDIC's Division of Liquidation from 1982 to 1989. He was Director of that division's Lubbock, Texas, Consolidated Office from 1984 to 1987. He also served in the FDIC's Division of Bank Supervision. Mr. Forrestal is a 1969 graduate of Rider College, Trenton, New Jersey.

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.

To receive the RTC Review monthly, write to: RTC Office of Corporate Communications, 10th Floor; RTC Review Mailing List; 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) 431-0600
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) 416-7566

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, NE, OH, OK, OR, SD, WA, WI, WY

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

**RTC Resolutions
Inception to December 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	156	\$30.8	\$0.1	.67 %	12.60 %	\$31.5	2,978
PA	344	142.8	2.4	2.36	25.71	137.3	15,209
PO	84	7.5	0.0	0	0	9.2	605
Total	584	\$181.0	\$2.5	1.98 %	22.42 %	\$178.0	18,792

**RTC Resolutions
Fourth Quarter 1991
(dollars in millions)**

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	1	\$133.8	\$0.4	.4 %	28.91 %	\$101.9	24
PA	20	4,474.9	78.0	1.9	39.54	4,647.5	632
PO	0	0.0	0	0	0	0.0	0
Total	21	\$4,608.7	\$78.4	1.87 %	39.23 %	\$4,749.4	656

*** 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
December 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
Co-operative FSB, Westmont, IL	PA	12/13/91	Heritage Glenwood Bank, Glenwood, IL	36.5	0.0	36.5	99.83%
Total				36.5	0.0	36.5	99.83%
Grand Total—Inception through December 31, 1991				\$181,013.4	\$77,246.6	\$40,200.2	22.24%

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.

**Asset Reductions
By Type of Asset**
(Dollars in Millions)

	Inception Through 12/31/91	December 1991	1991 To Date
<u>Cash & Securities</u>			
Book Value Reduction	\$104,299	\$2,527	\$46,033
Discount from Book Value	2,423	22	963
Sales & Principal Collections	101,877	2,505	45,070
<u>Mortgages</u>			
Book Value Reduction	95,698	6,711	55,637
Discount from Book Value	4,407	813	3,586
Sales & Principal Collections	91,291	5,898	52,050
<u>Other Loans</u>			
Book Value Reduction	20,014	663	8,687
Discount from Book Value	1,128	83	636
Sales & Principal Collections	18,886	580	8,051
<u>Real Estate</u>			
Book Value Reduction	10,379	892	5,277
Discount from Book Value	3,116	347	1,908
Sales & Principal Collections	7,263	545	3,369
<u>Other Assets</u>			
Book Value Reduction	10,038	786	6,264
Discount from Book Value	981	150	757
Sales & Principal Collections	9,057	636	5,508
<u>Total Assets</u>			
Book Value Reduction	240,428	11,579	121,897
Discount from Book Value	12,055	1,416	7,850
Sales & Principal Collections	\$228,373	\$10,163	\$114,047

Notes: Data for inception through December 31, 1991 are net of putbacks recorded to date.

Resolution sales are shown at book value.

Proceeds of asset sales at resolution are not separable from amounts paid for deposits of resolved thrifts.

Sales and principal collections are gross of seller financing which totalled \$518 million from inception through December 31, 1991.

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

584 Closed Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	75.6	\$135.7	\$23.2	\$21.4	\$8.1	15.8	\$279.8
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	37.5	13.5	3.3	4.3	0.2	1.0	59.8
Payment & Maturities.....	19.4	17.9	6.6	0.0	0.6	0.3	44.8
Other Changes (Net) /1.....	(13.9)	5.5	(3.2)	2.8	(0.2)	3.1	(5.8)
Assets at Resolution.....	32.6	98.8	16.5	14.3	7.5	11.3	181.0
<u>Resolution & Receivership Reductions</u>							
Assets Passed (Net of Putbacks).....	16.1	20.1	3.1	0.1	0.6	0.3	40.3
Assets Retained (After Putbacks).....	16.5	78.8	13.4	14.2	6.9	11.0	140.7
Principal Collections.....	10.2	30.1	4.7	2.4	1.6	3.5	52.5
Other Changes (Net) /2.....	1.1	2.8	2.0	1.2	(0.4)	(0.2)	6.5
Receivership Assets as of December 31, 1991.....	\$5.3	\$45.8	\$6.6	\$10.7	\$5.7	\$7.7	\$81.8

91 Conservatorship Institutions

	Cash & Securities	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$24.4	\$32.0	\$3.9	\$6.2	\$1.8	\$3.1	\$71.5
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	9.1	5.7	0.4	0.6	0.0	0.1	15.9
Payment & Maturities.....	9.6	4.0	0.8	0.0	0.5	0.3	15.2
Other Changes (Net)	(6.5)	(1.2)	(0.1)	0.5	0.1	0.3	(6.9)
Conservatorship Assets as of December 31, 1991.....	\$12.2	\$23.4	\$2.9	\$5.1	\$1.3	\$2.4	\$47.3

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

All 675 Institutions

	Cash & Securities /3	Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$100.0	\$167.8	\$27.1	\$27.6	\$10.0	\$18.9	\$351.3
<u>Reductions During Conservatorship</u>							
Sales Proceeds.....	46.6	19.2	3.6	4.8	0.3	1.1	75.7
Payment & Maturities.....	29.0	21.9	7.4	0.0	1.1	0.6	60.0
Other Changes (Net) /1.....	(20.4)	4.4	(3.3)	3.3	(0.1)	3.4	(12.7)
Assets at Resolution.....	32.6	98.8	16.5	14.3	7.5	11.3	181.0
<u>Resolution & Receivership Reductions</u>							
Assets Passed (Net of Putbacks).....	16.1	20.1	3.1	0.1	0.6	0.3	40.3
Assets Retained (After Putbacks).....	16.5	78.8	13.4	14.2	6.9	11.0	140.7
Principal Collections.....	10.2	30.1	4.7	2.4	1.6	3.5	52.5
Other Changes (Net) /2.....	1.1	2.8	2.0	1.2	(0.4)	(0.2)	6.5
Conservatorship and Receivership Assets as of December 31, 1991.....	\$17.4	\$69.3	\$9.5	\$15.8	\$7.0	\$10.1	\$129.1

/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 \$8.9 billion of receivership cash and investments available for the payment of expenses and dividends.