

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. III NO. 9

September 1992

Albert V. Casey, President,
Chief Executive Officer

William H. Roelle, Senior Vice President,
Chief Financial Officer

- * One RTC Thrift Closing in July. No Institutions Closed in August.
- * 652 Thrifts Closed by RTC from its Inception in August 1989 Through August 1992. 21.9 Million Deposit Accounts have been Protected.
- * Recoveries from Asset Sales and Principal Collections Total \$6.2 Billion in July, \$273 Billion, Net of Assets Putback to RTC, Since Inception.

RTC CASELOAD

In July, the RTC closed one institution (Investors FSB, Richmond, VA) using funds remaining from FIRREA and the March 1991 funding act. These funds were retained for emergency liquidity purposes, for unexpected losses on assets under RTC management, and for the resolution of this institution under the RTC's pilot Cooperative Institution Marketing Program in which virtually all assets are sold at the time of resolution. In August, the RTC did not close any savings institutions as no action was taken by Congress to provide additional funding.

Through August 31, 1992, the RTC resolved 652 institutions. The RTC took seven institutions into its conservatorship program in July and three institutions in August. As a result, the number of conservatorship institutions in-

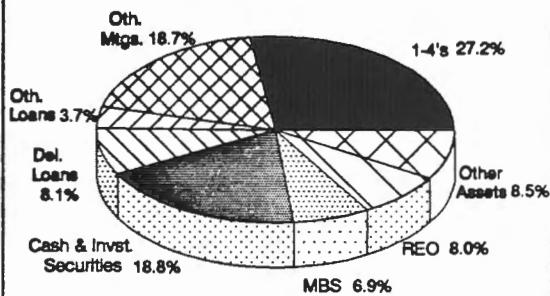
creased to 66 at the end of July and 69 at the end of August. In the absence of additional funding, the number of conservatorships continues to grow as potential Accelerated Resolution Program (ARP) cases are placed into conservatorship.

| RTC July Caseload (\$ in billions) | | | | |
|---------------------------------------|--------|--------|-------------|----------|
| | Number | Assets | Liabilities | Deposits |
| End of June | 60 | \$23.2 | \$23.9 | \$18.3 |
| New Conservatorships | 7 | 17.0 | 16.4 | 11.8 |
| Resolved Cases | 1 | 1.3 | 1.3 | 0.9 |
| End of July | 66 | \$37.2 | \$39.0 | \$29.2 |

Assets based on preliminary 7/31/92 and 6/30/92 financial reports.
Liabilities and Deposits based on 6/30/92 financial reports.

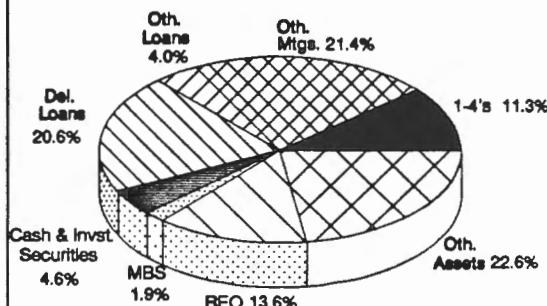
**CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT**
As of July 31, 1992

**CONSERVATORSHIPS
As of July 31, 1992**



(Percentage Of Gross Assets)

**RECEIVERSHIPS
As of July 31, 1992**



(Percentage Of Gross Assets)

**CONSERVATORSHIP INSTITUTIONS
(dollars in billions)**

| | Amount | Percent |
|--------------------|----------------|----------------|
| | | Gross Assets |
| Cash & Invst. Sec. | \$ 7.0 | 18.8 % |
| Mtg. Backed Sec. | 2.6 | 6.9 |
| Perf. Lns. - Total | 18.5 | 49.6 |
| 1-4 Family Mtgs. | 10.1 | 27.2 |
| Cstrn. & Land | 2.0 | 5.4 |
| Other Mtgs. | 4.9 | 13.3 |
| Other Loans | 1.4 | 3.7 |
| Del. Lns. - Total | 3.0 | 8.1 |
| 1-4 Family Mtgs. | 0.5 | 1.3 |
| Cstrn. & Land | 1.0 | 2.6 |
| Other Mtgs. | 1.3 | 3.5 |
| Other Loans | 0.3 | 0.7 |
| Real Estate Owned | 3.0 | 8.0 |
| Subsidiaries | 1.1 | 2.8 |
| Other Assets | 2.1 | 5.7 |
| Gross Assets | \$ 37.2 | 100.0 % |

Data based on preliminary 7/31/92 information
Number of institutions: 66

**RECEIVERSHIP INSTITUTIONS
(dollars in billions)**

| | Amount | Percent |
|---------------------|----------------|----------------|
| | | Gross Assets |
| Cash & Invst. Sec.* | \$ 3.9 | 4.6 % |
| Mtg. Backed Sec. | 1.6 | 1.9 |
| Perf. Lns. - Total | 30.9 | 36.7 |
| 1-4 Family Mtgs. | 9.5 | 11.3 |
| Cstrn. & Land | 3.3 | 3.9 |
| Other Mtgs. | 14.7 | 17.5 |
| Other Loans | 3.4 | 4.0 |
| Del. Lns. - Total | 17.4 | 20.6 |
| 1-4 Family Mtgs. | 1.6 | 1.9 |
| Cstrn. & Land | 5.8 | 6.9 |
| Other Mtgs. | 7.6 | 9.0 |
| Other Loans | 2.3 | 2.8 |
| Real Estate Owned | 11.5 | 13.6 |
| Subsidiaries | 7.1 | 8.4 |
| Other Assets | 11.9 | 14.1 |
| Gross Assets | \$ 84.2 | 100.0 % |

Data based on preliminary 7/31/92 information
Number of institutions: 652

* Excludes \$15.1 billion in cash, investments (including restricted investments), and accounts receivable accumulated by Receiverships.

ASSET INVENTORY

In July, the amount of assets under RTC management, including both conservatorships and receiverships, increased from \$111 billion to \$121 billion. The increase in assets resulted from HomeFed Bank, FA, San-Diego entering conservatorship in July. However, over the past 14 months, assets under RTC management have dropped \$47 billion.

The \$121 billion of assets under RTC management on July 31 consisted of: \$15 billion in cash and securities, \$20 billion in performing 1-4 family mortgages, \$30 billion in other performing loans, \$20 billion in delinquent loans, \$15 billion in real estate, \$8 billion in investments in subsidiaries, and \$14 billion in other assets.

The 66 conservatorships held \$37 billion in gross assets on July 31, 1992. Of the total, cash and securities (including a substantial amount pledged as collateral against borrowings) represented 26%; performing 1-4 family mortgages, 27%; other performing loans, 22%; delinquent loans, 8%; real estate, 8%; investments in subsidiaries, 3%; and other assets, 6%.

The 652 receiverships held \$84 billion in assets on July 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 34% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 18% of receivership assets. Moreover, a substantial amount of the securities and performing mortgages in receivership were junk bonds or pledged for secured borrowings or substandard loans. The \$84 billion excludes approximately \$15 billion in cash, liquid investments, and ac-

counts receivable accumulated from receivership collections.

THRIFT CLOSINGS

The RTC closed one institution in July and no institutions in August. As of the end of August, RTC resolutions had protected 21.9 million deposit accounts from financial loss. These accounts had an average account balance of \$8,966.

The total number of thrift closings was 652 from the establishment of the RTC in August 1989 through July 31, 1992. These thrifts held \$216 billion in assets at the time of closure. Of the total, \$46 billion of assets, or 21%, 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 652 closed thrifts totalled \$84.4 billion, 34% of their total liabilities at the time of resolution. If the insured deposits of all 652 institutions had been paid out to depositors, the estimated resolution cost would have been \$87.5 billion. The \$3.1 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.

Of the 652 cases, 406 were purchase and assumption transactions (P&As), in which deposits, certain other liabilities, and a portion of the assets were sold to acquirers. Another 158 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 88 were insured deposit payoffs (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 payoff costs: 2.41% of core deposits, compared to .67% for IDTs. Although only 62% of RTC resolutions were P&As, these transactions accounted for 80% of the deposits that have been made whole by the RTC from its inception through July 1992. The P&A transactions included 34 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed in the conservatorship program.

ASSET REDUCTIONS

In July, the proceeds of asset sales and other principal collections were \$6.2 billion. This included sales and principal collections from conservatorship institutions and receiverships. Due to asset putbacks of \$211 million, net asset collections were \$6.0 billion in July.

July sales and collections of \$6.2 billion included \$1.7 billion in sales proceeds from conservatorships, \$0.9 billion in other conservatorship asset collections, \$0.1 billion in resolution sales, and \$3.5 billion in receivership sales and principal collections.

July activity brought total sales and principal collections since inception to \$273 billion, net of putbacks to date. As noted earlier, additional assets may be returned to the RTC under unexpired putback provisions of resolution transactions.

Since its inception, the RTC collected \$85 billion through conservatorship sales, \$68 billion in other conservatorship collections, \$46 billion in resolution sales (net of putbacks), and \$75 billion in receivership sales and principal collections. From inception through July, the RTC collected \$116 billion from securities, \$81 billion from 1-4 family

mortgages, \$33 billion from other mortgages, \$22 billion from non-mortgage loans, \$9 billion from real estate, and \$12 billion from other assets.

In terms of book value, July sales and collections were \$7.5 billion. The average recovery rate on the collection of these assets was 83%. From the inception of the RTC through July, book value asset reductions were \$292 billion, and the RTC recovered 94% on these collections.

The \$292 billion in book value sales and principal collections represented 76% of the total book value of assets of all 718 institutions taken over by the RTC at the time they came under its control. The comparable figure for the 652 resolved institutions was slightly higher -- 82% -- reflecting the volume of assets passed at resolution and the amount of time that these institutions have been under RTC control. For the 66 conservatorships existing on July 31, book value sales and principal collections from inception through July were only 45% of the beginning book value of assets.

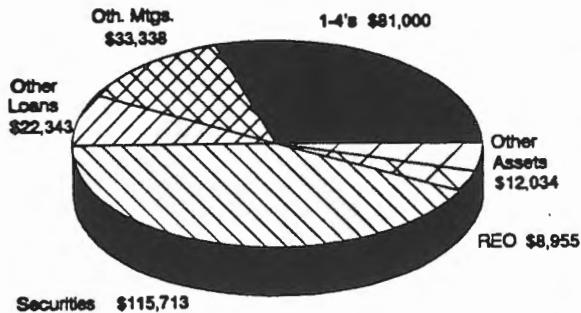
The RTC also collected \$0.5 billion in receivership income in July. From its inception to July 31, 1992, the RTC has collected \$12.5 billion in receivership income.

ASSET PUTBACKS

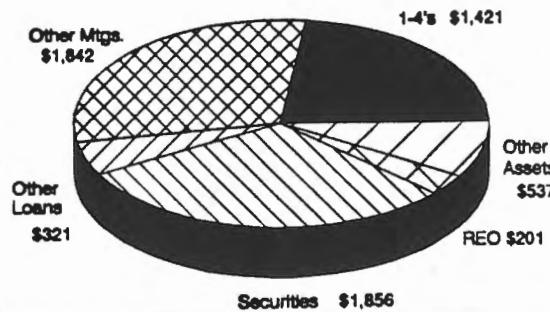
Assets put back to the RTC in July, primarily from assets passed to acquirers in earlier months, totalled \$211 million. From the inception of the RTC through July 1992, asset putbacks totalled \$22.9 billion, which is about 33% of the assets initially passed to acquirers. On July 31, 1992, outstanding assets subject to put totalled \$1.4 billion. This figure represents assets that the RTC might be required to purchase from acquirers of failed thrifts over the next few months.

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

INCEPTION 1989 THROUGH JULY 1992
(\$ in millions)



JULY 1992
(\$ in millions)



Inception Through July 1992

| | Conservatorships | | Resolution Sales (Net) * | Receivership Sales & Collections | Total |
|----------------------|------------------|-----------------|-----------------------------|-------------------------------------|------------------|
| | Sales | Collections | | | |
| Securities | \$50,428 | \$33,061 | \$20,297 | \$11,928 | \$115,713 |
| 1-4 Family Mortgages | 19,374 | 14,344 | 15,710 | 31,572 | 81,000 |
| Other Mortgages | 3,759 | 10,041 | 5,893 | 13,645 | 33,338 |
| Other Loans | 4,355 | 7,908 | 3,371 | 6,710 | 22,343 |
| REO | 5,291 | 0 | 145 | 3,519 | 8,955 |
| Other Assets | 1,784 | 2,313 | 653 | 7,284 | 12,034 |
| TOTALS | \$84,991 | \$67,666 | \$46,069 | \$74,659 | \$273,385 |

July 1992

| | Conservatorships | | Resolution Sales | Receivership Sales & Collections | Total |
|----------------------|------------------|--------------|---------------------|-------------------------------------|----------------|
| | Sales | Collections | | | |
| Securities | \$1,068 | \$444 | \$3 | \$341 | \$1,856 |
| 1-4 Family Mortgages | 248 | 233 | 0 | 940 | 1,421 |
| Other Mortgages | 225 | 156 | 0 | 1,480 | 1,842 |
| Other Loans | 8 | 67 | 8 | 238 | 321 |
| REO | 29 | 0 | 0 | 173 | 201 |
| Other Assets | 114 | 17 | 48 | 358 | 537 |
| TOTALS | \$1,692 | \$917 | \$59 | \$3,509 | \$6,178 |

1992 Year to Date

| | Conservatorships | | Resolution Sales | Receivership Sales & Collections | Total |
|----------------------|------------------|----------------|---------------------|-------------------------------------|-----------------|
| | Sales | Collections | | | |
| Securities | \$3,488 | \$4,231 | \$3,162 | \$2,454 | \$13,335 |
| 1-4 Family Mortgages | 3,129 | 1,600 | 806 | 9,157 | 14,692 |
| Other Mortgages | 1,224 | 934 | 1,389 | 5,930 | 9,476 |
| Other Loans | 732 | 494 | 431 | 1,970 | 3,628 |
| REO | 495 | 0 | 95 | 1,152 | 1,742 |
| Other Assets | 453 | 612 | 414 | 2,346 | 3,828 |
| TOTALS | \$9,521 | \$7,871 | \$6,298 | \$23,008 | \$46,698 |

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

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

| Inception Through July 1992 | | | | YTD July 1992 | | | |
|------------------------------------|------------------------------|-------------------|-----------------|----------------------|------------------------------|---------------------|----------------|
| | Gross Resolution Sales | Asset Putbacks | Net | | Gross Resolution Sales | Asset Putbacks * | Net |
| Securities | 20,765 | 468 | \$20,297 | Securities | \$3,162 | \$172 | \$2,990 |
| 1-4 Mortgages | 28,838 | 13,126 | \$15,710 | 1-4 Mortgages | \$808 | \$295 | \$510 |
| Other Mortgage | 11,319 | 5,426 | \$5,893 | Other Mortgage | \$1,389 | \$388 | \$1,004 |
| Other Loans | 8,421 | 3,050 | \$3,371 | Other Loans | \$431 | \$166 | \$268 |
| REO | 200 | 54 | \$145 | REO | \$95 | \$6 | \$89 |
| Other Assets | 1,432 | 779 | \$653 | Other Assets | \$414 | \$157 | \$257 |
| TOTALS | \$68,973 | \$22,904 | \$46,069 | TOTALS | \$8,298 | \$1,181 | \$5,118 |

* Asset putbacks during 1992 include assets put back from resolutions prior to 1992 as well as 1992 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. Data also include other principal disbursements on assets, such as disbursements on loans in process or transactions with subsidiaries. However, data exclude transfer of REO from one subsidiary to a receivership totaling \$200 million.

RECEIVERSHIP TERMINATIONS

The RTC has initiated its Receivership Termination program, in which the remaining assets of a receivership are purchased by the corporation and placed into a corporate pool for disposition. Final dividends are payed out to proved claimants of the receivership, other liabilities are written off, and the receivership is terminated.

In July, the corporation purchased \$178 million of assets from 27 receiverships which had \$1.3 billion in total gross assets at time of takeover. Additionally, the RTC paid out final dividends for the 27 receiverships. The total dividends payed to proved claimants was \$667 million, which represented 71.7% of the total amount of claims. Virtually all claims (99.97%) were from the RTC.

MAJOR ASSET SALES:

Recent RTC asset sales include:

- * A portfolio of 69 performing congregate care and nursing home loans was sold to Daiwa Finance Corporation of New York for \$205 million. The loans were assets of nine failed savings and loan institutions in 15 states.
- * A portfolio of 47 shopping centers located in nine states was sold to Commercial Properties Funding Corporation, Stamford, CT, a subsidiary of General Electric Capital Corporation, for \$71 million in an all-cash transaction. The 47 shopping centers, with a total of approximately 6 million square feet of retail space, were assets of 26 failed savings and loans.
- * A portfolio of distressed Texas commercial loans and real estate was sold to Paragon Group, Inc., Dallas, TX, for approximately \$57 million in an all-cash transaction. The portfolio included non-performing and restructured commercial mortgage loans and 27 commercial properties in

**Corporate Purchases &
Receivership Terminations
July 1992
(Dollars In Millions)**

| | |
|--|-----------|
| Number of Receiverships Terminated or in Process of Termination (1)..... | 27 |
| Book Value of Assets at Takeover..... | \$1,323.6 |
| Book Value of Assets at Resolution..... | \$909.3 |
| Total Book Value Purchased by Corporation..... | \$178.4 |
| | |
| Number of Receiverships for which Final Dividends have been Paid (2)..... | 27 |
| Book Value of Assets at Takeover of Receiverships for which Final Dividends have been Paid..... | \$1,323.6 |
| Book Value of Assets at Resolution of Receiverships for which Final Dividends have been Paid..... | \$909.3 |
| Total Dividends from Receiverships (3)..... | \$667.4 |
| Total Proved Claims of Receiverships..... | \$930.5 |
| Pct. Dividends to Proven Claims..... | 71.72% |
| Pct. of RTC Claims to Total Claims..... | 99.97% |

(1) Refers to receiverships that the RTC has designated for termination.

(2) Legal termination has not occurred but all dividends have been paid.

(3) All payments over time on a undiscounted basis.

Notes: Data exclude general claims proved and dividends paid at time of pass through receivership.

Data exclude general unsecured creditors for institutions in depositor preference states.

Texas. The assets were retained by the RTC following the resolution of Southwest Federal Savings Association, Dallas, TX, on July 26, 1991.

- * The RTC's 87.8 percent interest (12 million shares) in the residential development firm J.M. Peters Company, Inc., Newport Beach, CA, was sold to Capital Pacific Homes, Inc., Newport Beach, CA, for approximately \$47.25 million in an all-cash transaction. The RTC's interest in the firm consisted of its share holdings, as well as loans. J.M. Peters Company, Inc. was a subsidiary of the former San Jacinto Savings Association, Bellaire, TX, which was resolved by the RTC on September 27, 1991.
- * The Pine Run Retirement Community, located on 41 acres in Doylestown, PA, was sold to Doylestown Hospital, Doylestown, PA, for \$20.4 million in an all-cash transaction. The retirement community, consisting of 236 nursing home beds and 300 apartment units, was an asset retained by the RTC following the resolution of Horizon Financial, F.A., Southampton, PA, on May 25, 1990.
- * Eighteen branch office buildings of three former Arizona thrifts were sold to various purchasers for approximately \$6.6 million. The buildings are all located in Arizona.
- * The Old Atlanta Club in Forsyth County, GA, was sold to Centex Real Estate Corporation, Dallas, TX, and International Housing Group, Atlanta, GA, for \$6.2 million in an all-cash transaction. The property, consisting of 592 acres in the southeastern part of Forsyth County, north of Atlanta, GA, and 7,000 feet of frontage along the west bank of the Chattahoochee River, was an asset jointly owned by three failed Texas thrifts.
- * A portfolio of nine non-performing multifamily and commercial mortgage loans, secured by properties in Washington and Oregon, was sold to Local America Bank of Tulsa, F.S.B., Tulsa, OK, for \$2.7 million. The loans were assets of the former Willamette Savings and Loan Association, Portland, OR, which was a subsidiary of American Savings, a Federal Savings and Loan Association, Salt Lake City, UT, which was resolved by the RTC on June 8, 1990.

SOURCES AND USES OF FUNDS

(\$ in billions)

Inception through July 31, 1992

SOURCES:

| | | |
|---------------------------------|----------------|---|
| Initial Treasury Appropriations | \$ 18.8 | - |
| FHLB Contribution | 1.2 | - |
| REFCORP Borrowings | 30.1 | - |
| Additional Appropriations | 36.7 | - |
| FFB Borrowings | 52.7 | - |
| Total External Sources | 139.5 | |
| Recoveries from Receiverships | 64.2 | |
| TOTAL SOURCES | \$203.7 | |

USES:

| | | |
|--|---------------|--|
| Resolutions and Receivership Funding | \$ 189.5 | |
| Conservatorship Advances Outstanding * | 3.6 | |
| FFB Interest | 6.4 | |
| Other Disbursements (Net)** | -0.5 | |
| TOTAL USES | 199.0 | |
| NET CASH AVAILABLE | \$ 4.7 | |

* 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.

SOURCES AND USES OF FUNDS

From its inception through July 31, 1992, the RTC obtained \$140 billion in funds from the following external sources: \$50 billion in FIRREA appropriations, \$37 billion in loss funds authorized by 1991 Acts of Congress, and \$53 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$64 billion in recoveries from receiverships.

The FIRREA appropriations include \$30.1 billion from REFCORP, \$18.8 billion in Treasury funding, and \$1.2 billion in FHLB contributions. The Resolution Trust Corporation Funding Act of 1991 and the RTC Refinancing, Restructuring, and Improvement Act of 1991 provided for an additional \$30 billion and \$25 billion, respectively, in loss funds through Treasury appropriations. The Improvement Act allowed the RTC to obligate funds for new resolutions up to April 1, 1992. On April 30, 1992, the RTC returned

\$18.3 billion to the Treasury Department that had not been obligated by the April 1, 1992 deadline.

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 652 resolutions through July 31 required outlays of \$189.5 billion from the RTC. Outstanding advances to conservatorships existing at the end of July totalled \$3.6 billion. Interest on FFB borrowings was \$6.4 billion. This left \$4.7 billion in cash on hand on July 31.

NEWS NOTES:

RTC GENERAL COUNSEL RESIGNS; INSPECTOR GENERAL INVESTIGATION FINDS NO IMPROPRIETIES

On August 13, 1992, Albert V. Casey, President and Chief Executive Officer of the RTC, announced that he had accepted the resignation of Gerald L. Jacobs, Senior Vice President and General Counsel. Mr. Jacobs submitted his resignation upon conclusion of an investigation initiated in June by the RTC's Office of Inspector General (OIG) following news reports which suggested improprieties. The OIG was established by Congress as an independent unit within the RTC.

The Inspector General found, based on the records reviewed, that Mr. Jacobs had not done anything improper during the course of his representation of a former client noted in these news accounts. The IG also found that Mr. Jacobs had adequately recused himself from deliberations on matters involving Arizona savings institutions, past clients, or

other individuals and organizations with which he had business relationships before coming to the RTC.

Furthermore, a process had been established within the RTC legal division to assure Mr. Jacobs was not presented with information relating to these recusals.

The IG also determined that Mr. Jacobs' offer to cure a past financial obligation of a partnership was declined by the Federal Deposit Insurance Corporation (FDIC) prior to his employment, and other allegations made during the course of the investigation regarding his activities could not be substantiated.

In accepting Mr. Jacobs' resignation, Mr. Casey said, "Jerry has performed in an exemplary manner on behalf of the taxpayers. Although the Inspector General's investigation into these news accounts has found them baseless, Jerry feels that due to his extensive recusals, remaining at the RTC will produce continued adverse comment. He has therefore asked that his resignation be accepted so our attention is not diverted from substantive legal matters."

Mr. Jacobs' resignation was effective Monday, August 17, 1992, after nearly two years of service at the RTC and the FDIC. Since Mr. Jacobs' departure, Deputy General Counsel Richard T. Aboussie has served as the RTC's Acting General Counsel. Mr. Aboussie will continue to serve on an interim basis until a permanent General Counsel has been selected. Mr. Casey has initiated the search for a new General Counsel.

RTC OFFERS TWO NEW ISSUES OF MORTGAGE-BACKED SECURITIES

The RTC offered two mortgage pass-through securities issues in August totaling about \$1.2 billion. The securities are designated RTC Mortgage Pass-Through Certificates, Series 1992-9 and 1992-10.

The Series 1992-9 securities are backed by approximately \$708 million of fixed- and adjustable-rate single-family mortgage loans originated by approximately 327 savings associations prior to their placement in the RTC's conservatorship program. Salomon Brothers Inc served as the lead managing underwriter for the offering.

The Series 1992-10 securities are backed by approximately \$477 million of fixed- and adjustable-rate single-family mortgage loans originated by approximately 116 savings associations prior to their placement in the RTC's conservatorship program. Merrill Lynch & Co. served as the lead managing underwriter for the offering.

Since February 1992, the RTC has completed five commercial mortgage securities offerings totaling approximately \$3.2 billion.

Separately, since April 1991, the RTC has registered with the Securities and Exchange Commission (SEC) a total of \$24 billion of residential, multifamily and manufactured-housing mortgage pass-through securities. There have been 38 previous takedowns from the RTC's \$24 billion shelf totaling approximately \$19.1 billion. In addition, the RTC filed a separate registration with the SEC for one home equity loan securities issue totaling about \$300 million.

RTC AWARDS \$39.7 MILLION DATA PROCESSING CONTRACT TO MINORITY JOINT VENTURE

The RTC has awarded a \$39.7 million data processing and asset management services contract to Texas Data Control (TDC), Dallas, Texas, a Hispanic joint venture between TELACU/Carpenter, Irvine, California, a minority joint venture, and CDM Financial Services, Dallas, Texas.

TDC will provide payment, data processing, conversion, and asset management services

for assets of failed Texas, Louisiana, and Mississippi thrifts. These assets include commercial non-real estate loans, consumer loans, and residential and commercial real estate mortgage loans. The three-year term of the contract contains two optional one-year renewals, and became effective August 18, 1992.

NORTH CAROLINA, NEW YORK BUSINESS OWNERS CONVICTED OF DEFRAUDING NORTH CAROLINA THRIFT

A federal jury in Wilmington, North Carolina, has convicted the owners of two North Carolina companies and the owner of a New York company on several charges of defrauding First Federal Savings and Loan Association of Raleigh (First Federal), Raleigh, North Carolina, which was resolved by the RTC on March 6, 1992.

Louis T. Mancuso and his wife, Susan Lynn Mancuso, owners of Precision Erectors, Inc. and Piedmont Installers, Inc., Youngsville, North Carolina, were each convicted of 10 counts of bank fraud and one count of conspiracy to commit bank fraud in connection with a \$236,000 loan they obtained from First Federal in May 1990. Louis Mancuso was also convicted of making a false statement to First Federal to avoid repaying the loan in accordance with the contractual agreement between the Mancusos and the thrift.

R. Philip Hartman, owner of Hartman Rack Products, Inc., Waterloo, New York, was convicted of conspiring with the Mancusos to commit bank fraud, and of 10 counts of bank fraud stemming from the Mancusos' failure to repay the loan in accordance with the contractual agreement between them and the thrift. Hartman was also convicted of making false statements to First Federal to conceal payments made to the Mancusos that should have been made to the thrift under the terms of the loan agreement.

Each conspiracy conviction carries a maximum sentence of five years imprisonment, \$250,000 in fines, or both. Each count of bank fraud and making a false statement carries a maximum sentence of 20 and 30 years imprisonment, respectively, \$1 million in fines, or both.

The convictions stemmed from a seven-month investigation by the RTC's Office of Inspector General. For further information, contact Clark W. Blight of the RTC OIG on 703-908-7860.

RTC TO AUCTION FORMER HEADQUARTERS OF COMMUNITY FEDERAL SAVINGS AND LOAN ASSOCIATION, DES PERES, MISSOURI

The RTC will conduct an on-site auction of the former headquarters building of Community Federal Savings and Loan Association (Community Federal), Des Peres, Missouri, on October 22, 1992.

The 10-story, 397,000-square-foot building located at 12555 Manchester Road has received several national awards for design excellence. Built in 1977, the building is situated on a 13.3-acre hilltop and includes on-site parking for nearly 1,000 vehicles.

"This is the RTC's most visible asset in the St. Louis area," said Dennis Cavinaw, Vice President of the RTC's Kansas City Office. "Its location and amenities make this an excellent choice for a corporation's regional or national headquarters."

The building includes a fully furnished cafeteria on the fourth floor, a four-story atrium lobby, and a view of the St. Louis Gateway Arch.

Sheldon Good & Company, Chicago, Illinois, will conduct the auction at the Community Federal building, beginning at 1 p.m. The suggested opening bid is \$5 million. Prospective

bidders will be required to have a \$500,000 cashier's check to participate in the auction.

To arrange for an inspection of the building, and to obtain additional information about the auction, contact the auctioneer on 314-966-8982. Bid packages and brochures are available at the auction office located on the tenth floor of the Community Federal building. The office is open from 10 a.m to 4 p.m.

RTC RECOVERS \$247.9 MILLION IN NATIONAL NON-PERFORMING LOAN AUCTION

The RTC's "National Non-Performing Loan Auction," conducted on September 9 in Los Angeles, California, resulted in \$247.9 million in taxpayer recoveries through the sale of over 6,996 non-performing loans.

"We are delighted with the success of this auction -- our largest to date -- as we were able to sell all of the loan packages offered," said RTC President and Chief Executive Officer Albert V. Casey.

"This was a well-conducted, widely advertised auction that resulted in good recoveries," Mr. Casey added. "The competition was keen, with over 163 companies registered to bid on the 196 loan packages offered."

The auction was coordinated by the RTC National Sales Center in Washington and RTC field offices across the country. Mr. Casey attributed the success of the auction to a tremendous effort by the RTC's marketing and sales teams.

More than 40 bidders purchased a variety of non-performing loan packages ranging in size from \$21,000 to \$22 million, stratified by collateral type, geography, and current book value.

The National Non-Performing Loan Auction was part of a major RTC effort to sell its non-performing loans through auctions. Since June 1991, the RTC has auctioned in excess of \$700 million in non-performing loans, and more than 15,000 real estate properties.

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 Communica-

tions, 10th Floor, RTC Review Mailing List, 801 17th Street, NW, Washington, DC 20434-0001.

All RTC news releases are also available through WR Systems, a facsimile dial-up service. To access WR Systems, interested individuals can dial 1-800-257-2921 (or 703-691-4670 if dialing from Virginia). The voice menu will provide an index of all available RTC news releases. Users have 24-hour access to RTC news releases through WR Systems. System users will incur a per-page fee for document retrieval and a per-minute on-line phone charge. All fees can be billed either to a credit card or an account number established with WR Systems.

RTC Resolutions
Inception to July 31, 1992
(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 | 158 | \$30.3 | \$0.1 | .67 % | 12.56 % | \$31.0 | 2,985 |
| PA | 406 | 178.2 | 3.0 | 2.41 | 23.73 | 156.8 | 18,263 |
| PO | 88 | 7.6 | 0.0 | 0 | 0 | 8.3 | 615 |
| Total | 652 | \$216.1 | \$3.1 | 2.08 % | 21.32 % | \$196.0 | 21,863 |

*** Deal Type:**

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payoff

** 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. Number of Accounts are as of quarter
before resolution.

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) 782-3008 |
| 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) 416-7556 |
| Low Income Housing Program | (202) 416-7348 |

| | |
|-----------------------------------|----------------|
| Reading Room - Public Information | (202) 416-6940 |
| Main Operator | (202) 416-6900 |
| RTC Costa Mesa Office | (800) 283-9288 |
| RTC Denver Office | (800) 542-6135 |
| RTC Dallas Office | (800) 782-4674 |
| RTC Kansas City Office | (800) 365-3342 |
| RTC Atlanta Office | (800) 628-4362 |
| RTC Valley Forge Office | (800) 782-6326 |

Note:

Costa Mesa Office - CA

Denver Office - AZ, CO, HI, NM, NV, UT

Dallas Office - LA, MS, TX

Kansas City Office - AK, AR, IA, ID, IL, IN, KS, KY, MI, MN, MO, MT, ND, NE, OH, OK, OR, SD, WA, WI, WY

Atlanta Office - AL, DC, FL, GA, MD, NC, PR, SC, TN, VA, WV

Valley Forge Office - CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT

RTC Resolutions
July 1992
(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 |
|--|------------|-----------------|-------------------------------------|--------------------|---------------------------|--|-----------------------------|
| Investors FSB, Richmond, VA | PA | 07/10/92 | Central Fidelity Bank, Richmond, VA | 1,268.2 | 487.0 | 59.4 | 4.69% |
| Total | | | | 1,268.2 | 487.0 | 59.4 | 4.69% |
| Grand Total-Inception through July 31, 1992 | | | | \$216,134.0 | \$84,437.1 | \$46,074.1 | 21.32% |

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 7/31/92 | July 1992 | 1992 To Date |
|-------------------------------|---------------------------------|--------------|-----------------|
| Cash & Securities | | | |
| Book Value Reduction | \$118,589 | \$2,006 | \$13,753 |
| Discount from Book Value | 2,876 | 151 | 418 |
| Sales & Principal Collections | 115,713 | 1,856 | 13,335 |
| 1-4 Family Mortgages | | | |
| Book Value Reduction | 83,886 | 1,522 | 15,203 |
| Discount from Book Value | 2,886 | 102 | 511 |
| Sales & Principal Collections | 81,000 | 1,421 | 14,692 |
| Other Mortgages | | | |
| Book Value Reduction | 37,390 | 2,247 | 11,507 |
| Discount from Book Value | 4,052 | 405 | 2,031 |
| Sales & Principal Collections | 33,338 | 1,842 | 9,476 |
| Other Loans | | | |
| Book Value Reduction | 23,831 | 367 | 3,988 |
| Discount from Book Value | 1,488 | 46 | 360 |
| Sales & Principal Collections | 22,343 | 321 | 3,628 |
| Real Estate | | | |
| Book Value Reduction | 13,796 | 557 | 3,458 |
| Discount from Book Value | 4,840 | 355 | 1,716 |
| Sales & Principal Collections | 8,955 | 201 | 1,742 |
| Other Assets | | | |
| Book Value Reduction | 14,318 | 779 | 5,128 |
| Discount from Book Value | 2,284 | 242 | 1,302 |
| Sales & Principal Collections | 12,034 | 537 | 3,826 |
| Total Assets | | | |
| Book Value Reduction | 291,810 | 7,479 | 53,036 |
| Discount from Book Value | 18,426 | 1,302 | 6,338 |
| Sales & Principal Collections | \$273,385 | \$6,178 | \$46,698 |

Notes: Data for inception through July 31, 1992 are net of putbacks recorded to date.

Data exclude transfer of REO from one subsidiary to a receivership totaling \$200 million.

Resolution sales are shown at book value. Proceeds of assets 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 \$783 million from inception through June 30, 1992.

Beginning Assets and Asset Reductions
Inception Through July 1992
(\$ in billions)

652 Closed Institutions

| | Cash & Securities /3 | 1-4 Family Mortgages | Other Mortgages | Other Loans | Real Estate /4 | Subsidaries | Other Assets | Total |
|---|----------------------|----------------------|-----------------|-------------|----------------|-------------|--------------|---------|
| Assets at Takeover..... | \$86.0 | \$92.3 | \$66.0 | \$26.0 | \$26.3 | \$9.6 | 18.0 | \$324.1 |
| Reductions During Conservatorship | | | | | | | | |
| Sales Proceeds..... | 41.0 | 15.0 | 2.3 | 3.6 | 4.9 | 0.2 | 1.1 | 68.2 |
| Payment & Maturities..... | 27.4 | 12.5 | 8.9 | 7.3 | 0.0 | 1.0 | 1.0 | 58.1 |
| Other Changes (Net) /1..... | (21.0) | 2.0 | 2.3 | (3.4) | 4.1 | 2.0 | (4.3) | (18.4) |
| Assets at Resolution..... | 38.5 | 62.8 | 52.5 | 18.4 | 17.3 | 6.4 | 20.2 | 216.1 |
| Resolution & Receivership Reductions | | | | | | | | |
| Assets Passed (Net of Putbacks)..... | 20.3 | 15.7 | 5.9 | 3.4 | 0.1 | 0.7 | 0.0 | 46.1 |
| Assets Retained (After Putbacks)..... | 18.2 | 47.1 | 46.7 | 15.0 | 17.1 | 5.8 | 20.2 | 170.1 |
| Principal Collections..... | 11.9 | 31.6 | 13.6 | 6.7 | 3.5 | 2.6 | 4.6 | 74.7 |
| Other Changes (Net) /2..... | 0.8 | 4.4 | 1.6 | 2.6 | 2.1 | (4.0) | 3.7 | 11.2 |
| Receivership Assets as of July 31, 1992..... | \$5.5 | \$11.1 | \$31.5 | \$5.7 | \$11.5 | \$7.1 | \$11.9 | \$84.2 |

66 Conservatorship Institutions

| | Cash & Securities | 1-4 Family Mortgages | Other Mortgages | Other Loans | Real Estate | Subsidaries | Other Assets | Total |
|---|-------------------|----------------------|-----------------|-------------|-------------|-------------|--------------|--------|
| Assets at Takeover..... | \$20.4 | \$16.7 | \$11.8 | \$3.0 | \$3.5 | \$1.2 | \$2.2 | \$58.8 |
| Reductions During Conservatorship | | | | | | | | |
| Sales Proceeds..... | 9.4 | 4.3 | 1.5 | 0.7 | 0.4 | 0.0 | 0.5 | 16.8 |
| Payment & Maturities..... | 5.6 | 1.9 | 1.1 | 0.6 | 0.0 | 0.1 | 0.2 | 9.5 |
| Other Changes (Net) | (4.2) | (0.1) | 0.0 | 0.0 | 0.2 | 0.0 | (0.6) | (4.7) |
| Conservatorship Assets as of July 31, 1992..... | \$9.6 | \$10.6 | \$9.2 | \$1.7 | \$3.0 | \$1.1 | \$2.1 | \$37.2 |

Beginning Assets and Asset Reductions
Inception Through July 1992
(\$ in billions)

All 718 Institutions

| | Cash & Securities /3 | 1-4 Family Mortgages | Other Mortgages | Other Loans | Real Estate /4 | Subsidaries | Other Assets | Total |
|---|----------------------|----------------------|-----------------|---------------|----------------|---------------|---------------|----------------|
| Assets at Takeover..... | \$106.3 | \$109.0 | \$77.8 | \$29.0 | \$29.8 | \$10.8 | \$20.2 | \$382.9 |
| Reductions During Conservatorship | | | | | | | | |
| Sales Proceeds..... | 50.4 | 19.4 | 3.8 | 4.4 | 5.3 | 0.2 | 1.5 | 85.0 |
| Payment & Maturities..... | 33.1 | 14.3 | 10.0 | 7.9 | 0.0 | 1.1 | 1.2 | 67.7 |
| Other Changes (Net) /1..... | (25.2) | 1.9 | 2.3 | (3.4) | 4.3 | 2.0 | (4.9) | (23.1) |
| Assets at Resolution..... | 38.5 | 62.8 | 52.5 | 18.4 | 17.3 | 6.4 | 20.2 | 216.1 |
| Resolution & Receivership Reductions | | | | | | | | |
| Assets Passed (Net of Putbacks)..... | 20.3 | 15.7 | 5.9 | 3.4 | 0.1 | 0.7 | 0.0 | 46.1 |
| Assets Retained (After Putbacks)..... | 18.2 | 47.1 | 46.7 | 15.0 | 17.1 | 5.8 | 20.2 | 170.1 |
| Principal Collections..... | 11.9 | 31.6 | 13.6 | 6.7 | 3.5 | 2.6 | 4.6 | 74.7 |
| Other Changes (Net) /2..... | 0.8 | 4.4 | 1.6 | 2.6 | 2.1 | (4.0) | 3.7 | 11.2 |
| Conservatorship and Receivership Assets as of July 31, 1992..... | \$15.0 | \$21.7 | \$40.7 | \$7.4 | \$14.5 | \$8.2 | \$14.0 | \$121.4 |

/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 \$15.1 billion of receivership cash and investments available for the payment of expenses and dividends.

/4 Transfer of REO from one subsidiary to a receivership is included in Other Changes.