RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. III NO. 10 October 1992

Albert V. Casey, President, Chief Executive Officer

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

- * No RTC Thrift Closings in August or September Due to a Lack of Funding.
- * 652 Thrifts Closed by RTC from its Inception in August 1989 Through September 1992. 21.9 Million Deposit Accounts have been Protected.
- * Recoveries from Asset Sales and Principal Collections Total $3.7 Billion in August, $277 Billion, Net of Assets Putback to RTC, Since Inception.

RTC CASELOAD

The RTC did not close any institutions in August and September as no action was taken by Congress to provide additional funding.

Through September 30, 1992, the RTC has resolved 652 institutions. The RTC took three institutions into its conservatorship progam in August and no institutions in September. As a result, the number of conservatorship institutions increased to 69 at the end of August and September.

ASSET INVENTORY

In August, the amount of assets under RTC management, including both conservatorships and receiverships, decreased from $121 billion to $119 billion. The decrease in assets reflects the ongoing sales effort from conservatorships and receiverships. Over the past 15 months, assets under RTC management have dropped $49 billion.

The $119 billion of assets under RTC management on August 31 consisted of: $15 billion in cash and securities, $18 billion in performing 1-4 family mortgages, $27 billion

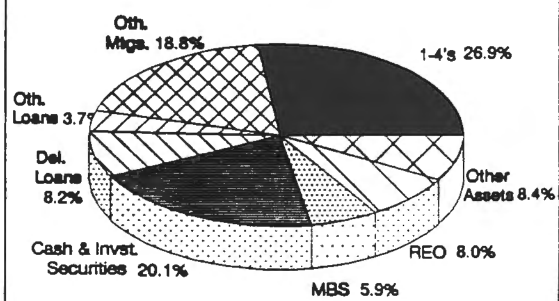
RTC August Caseload
($ in billions)

	Number	Assets	Liabilities	Deposits
End of July	66	$37.2	$37.2	$27.4
New Conservatorships	3	0.2	0.2	0.2
Resolved Cases	0	0.0	0.0	0.0
End of August	69	$36.5	$37.4	$27.6

Assets based on preliminary 8/31/92 and 7/31/92 financial reports.
Liabilities and Deposits based on 7/31/92 financial reports.

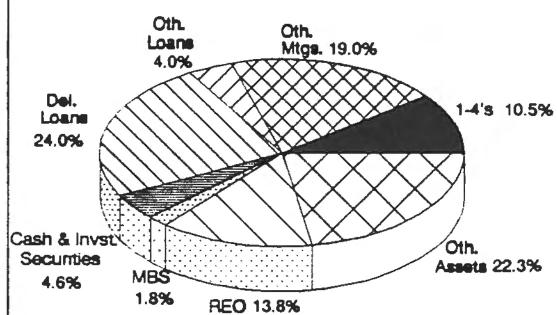
CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT
As of August 31, 1992

CONSERVATORSHIPS
As of August 31, 1992



(Percentage Of Gross Assets)

RECEIVERSHIPS
As of August 31, 1992



(Percentage Of Gross Assets)

CONSERVATORSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.	$ 7.4	20.1 %
Mtg. Backed Sec.	2.2	5.9
Perf. Lns. - Total	18.1	49.4
1-4 Family Mtgs.	9.8	26.9
Cstrn. & Land	1.7	4.6
Other Mtgs.	5.2	14.3
Other Loans	1.3	3.7
Del. Lns. - Total	3.0	8.2
1-4 Family Mtgs.	0.4	1.2
Cstrn. & Land	0.9	2.6
Other Mtgs.	1.3	3.6
Other Loans	0.3	0.7
Real Estate Owned	2.9	8.0
Subsidiaries	1.0	2.9
Other Assets	2.0	5.5
Gross Assets	$ 36.5	100.0 %

Data based on preliminary 8/31/92 information
Number of institutions: 69

RECEIVERSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.*	$ 3.8	4.6 %
Mtg. Backed Sec.	1.5	1.8
Perf. Lns. - Total	27.6	33.5
1-4 Family Mtgs.	8.6	10.5
Cstrn. & Land	3.1	3.7
Other Mtgs.	12.6	15.3
Other Loans	3.3	4.0
Del. Lns. - Total	19.8	24.0
1-4 Family Mtgs.	2.1	2.5
Cstrn. & Land	5.9	7.1
Other Mtgs.	9.5	11.5
Other Loans	2.3	2.8
Real Estate Owned	11.4	13.8
Subsidiaries	6.8	8.3
Other Assets	11.5	14.0
Gross Assets	$ 82.3	100.0 %

Data based on preliminary 8/31/92 information
Number of institutions: 652

* Excludes $14.5 billion in cash, investments (including restricted investments), and accounts receivable accumulated by Receiverships.

in other performing loans, $23 billion in delinquent loans, $14 billion in real estate, $8 billion in investments in subsidiaries, and $13 billion in other assets.

The 69 conservatorships held $37 billion in gross assets on August 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, 23%; delinquent loans, 8%; real estate, 8%; investments in subsidiaries, 3%; and other assets, 5%.

The 652 receiverships held $82 billion in assets on August 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 38% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 17% 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 $82 billion excludes approximately $15 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections.

THRIFT CLOSINGS

The RTC closed no institutions in August or September. As of the end of September, RTC resolutions had protected 21.9 million deposit accounts from financial loss. These accounts had an average account balance of $8,989.

The total number of thrift closings was 652 from the establishment of the RTC in August 1989 through August 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 0.67% 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 August 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 August, the proceeds of asset sales and other principal collections were $3.7 billion. This included sales and principal collections from conservatorship institutions and receiverships. Due to asset putbacks of $154 million, net asset collections were $3.5 billion in August.

August sales and collections of $3.7 billion included $1.5 billion in sales proceeds from conservatorships, $0.7 billion in other conservatorship asset collections, and $1.5 billion in receivership sales and principal collections.

August activity brought total sales and principal collections since inception to $277 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 $86 billion through conservatorship sales, $68 billion in other conservatorship collections, $46 billion in resolution sales (net of putbacks), and $76 billion in receivership sales and principal collections. From inception through August, the RTC collected $117 billion from securities, $82 billion from 1-4 family mortgages, $34 billion from other mortgages, $23 billion from non-mortgage loans, $9 billion from real estate, and $13 billion from other assets.

In terms of book value, August sales and collections were $4.4 billion. The average recovery rate on the collection of these assets was 84%. From the inception of the RTC through August, book value asset reductions were $296 billion, and the RTC recovered 94% on these collections.

The $296 billion in book value sales and principal collections represented 77% of the total book value of assets of all 721 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 69 conservatorships existing on August 31, book value sales and principal collections from inception through August were only 49% of the beginning book value of assets.

The RTC also collected $0.3 billion in receivership income in August. From its inception to August 31, 1992, the RTC has collected $12.8 billion in receivership income.

ASSET PUTBACKS

Assets put back to the RTC in August, primarily from assets passed to acquirers in earlier months, totalled $154 million. From the inception of the RTC through August 1992 , asset putbacks totalled $23.1 billion, which is about 33% of the assets initially passed to acquirers. On August 31, 1992, outstanding assets subject to put totalled $695 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:

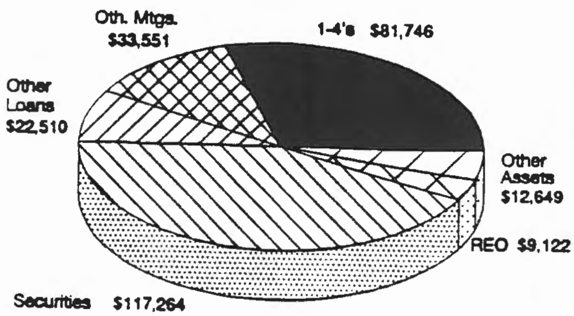
Recent RTC asset sales include:

* Nearly 7,000 non-performing loans were sold for $247.9 million at the RTC's "National Non-Performing Loan Auction," conducted on September 9, 1992, in Los Angeles, California. 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.

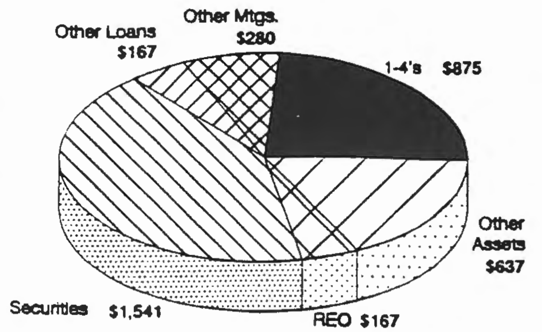
* Three portfolios of non-performing multi-family and commercial mortgage loans were sold for approximately $21.2 million. The loans were assets of failed thrifts in Arizona, Colorado, New Mexico, Utah, and Wyoming. Kerry Realty Investments, Ltd., Scarsdale, NY, purchased a 54-loan portfolio for approximately $13 million; ICC

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

INCEPTION 1989 THROUGH AUGUST 1992
($ in millions)



AUGUST 1992
($ in millions)



Inception Through August 1992

	Conservatorships		Resolution	Receivership	
	Sales	Collections	Sales (Net) *	Sales & Collections	Total
Securities	$51,503	$33,404	$20,292	$12,065	$117,264
1–4 Family Mortgages	19,640	14,537	15,626	31,943	81,746
Other Mortgages	3,765	10,147	5,825	13,814	33,551
Other Loans	4,375	7,967	3,371	6,797	22,510
REO	5,348	0	144	3,630	9,122
Other Assets	1,855	2,316	646	7,832	12,649
TOTALS	$86,485	$68,372	$45,903	$76,081	$276,841

August 1992

	Conservatorships		Resolution	Receivership	
	Sales	Collections	Sales	Sales & Collections	Total
Securities	$1,075	$344	$0	$122	$1,541
1–4 Family Mortgages	266	194	0	415	875
Other Mortgages	6	106	0	169	280
Other Loans	20	60	0	87	167
REO	57	0	0	111	167
Other Assets	71	3	0	563	637
TOTALS	$1,495	$706	$0	$1,466	$3,667

1992 Year to Date

	Conservatorships		Resolution	Receivership	
	Sales	Collections	Sales	Sales & Collections	Total
Securities	$4,563	$4,574	$3,162	$2,591	$14,890
1–4 Family Mortgages	3,395	1,793	804	9,572	15,564
Other Mortgages	1,229	1,039	1,375	6,099	9,743
Other Loans	752	554	432	2,057	3,795
REO	552	0	95	1,263	1,909
Other Assets	525	615	417	2,894	4,451
TOTALS	$11,016	$8,575	$6,286	$24,475	$50,352

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

RESOLUTION SALES & ASSET PUTBACKS (DOLLARS IN MILLIONS)

Inception Through August 1992

	Gross Resolution Sales	Asset Putbacks	Net
Securities	20,765	473	$20,292
1–4 Mortgages	28,835	13,209	$15,626
Other Mortgage	11,305	5,480	$5,825
Other Loans	6,422	3,051	$3,371
REO	200	56	$144
Other Assets	1,435	789	$646
TOTALS	$68,961	$23,058	$45,903

YTD August 1992

	Gross Resolution Sales	Asset Putbacks *	Net
Securities	$3,162	$177	$2,985
1–4 Mortgages	$804	$378	$426
Other Mortgage	$1,375	$440	$936
Other Loans	$432	$166	$266
REO	$95	$7	$88
Other Assets	$417	$167	$250
TOTALS	$6,286	$1,336	$4,950

* 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.

Kerry Limited Partnership, New York, NY, purchased a 23-loan portfolio for $4.4 million; and Bishop, Coyne, Ltd., Scardsdale, NY, purchased an eight-loan portfolio for $3.8 million.

* The Bourbon Orleans Hotel, a 211-room hotel in New Orleans, LA, was sold to Patriot American Investors, L.P., New York, NY, for approximately $11 million. The hotel was an asset of a subsidiary retained by the RTC following the resolution of Benjamin Franklin Federal Savings Association, Houston, TX, on September 6, 1991.

* Forty-three development sites and commercial properties in Texas were sold for $8.7 million at "The Heart of Texas Auction" held in September in Austin, TX. The properties were located primarily in the Austin and San Antonio areas. The properties were assets of several failed Texas thrifts.

* Val Vista Lakes, a planned community in Gilbert, AZ, was sold to Public Pension Fund-II, L.P., Chicago, IL, for approximately $8 million. The development consists of 274 single-family residential lots in seven subdivisions; a land parcel zoned for 126 condominium units; a 12.3-acre apartment site; an undeveloped land parcel zoned for 36 single-family residential lots; and approximately 55 acres of land. The development was an asset retained by the RTC following the resolution of Western Savings and Loan Association, F.A., Phoenix, AZ, on May 31, 1990.

* Remington Apartments, a 153,800-square-foot, 200-unit complex in Killeen, TX, was sold to Remington Investments, L.P., Houston, TX, for approximately $4 million. The property was an asset retained by the RTC following the resolution of Universal Federal Savings Association, Houston, TX, on June 22, 1990.

* The South Houston Mini Storage and Car Wash in Houston, TX, was sold to Alta Ventures, Houston, TX, for approximately $1.2 million. The property was an asset retained by the RTC following the resolution of First Equity Savings Association, F.A., Tomball, TX, on May 11, 1990.

SOURCES AND USES OF FUNDS

From its inception through August 31, 1992, the RTC obtained $137 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 $50 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained $68 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 August 31 required outlays of $189.8 billion from the RTC. Outstanding advances to conservatorships existing at the end of August totalled $4.9 billion. Interest on FFB borrowings was $6.4 billion. This left $4.2 billion in cash on hand on August 31.

SOURCES AND USES OF FUNDS
($ in billions)
Inception through August 31, 1992

SOURCES:	
Initial Treasury Appropriations	$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
Additional Appropriations	36.7
FFB Borrowings	50.4
Total External Sources	137.2
Recoveries from Receiverships	67.7
TOTAL SOURCES	$204.9
USES:	
Resolutions and Receivership Funding	$ 189.8
Conservatorship Advances Outstanding *	4.9
FFB Interest	6.4
Other Disbursements (Net)**	-0.4
TOTAL USES	200.7
NET CASH AVAILABLE	$ 4.2

* 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.

NEWS NOTES:

RTC PRESIDENT CITES BILLION DOLLAR DELAY COSTS, URGES HOUSE TO APPROVE FUNDING BEFORE ADJOURNMENT

On September 25, 1992, Albert V. Casey, President and CEO of the RTC, urged the House leadership to act on RTC funding legislation prior to adjournment so that taxpayers are spared additional costs for the cleanup of insolvent S&Ls.

"Already, the decision by the House to postpone funding has resulted in huge costs to taxpayers," Mr. Casey said in letters to House Speaker Thomas S. Foley and Minority Leader Robert H. Michel.

"Congress' inaction since April has added about $600 million to $900 million to the price of the S&L cleanup. The cost to taxpayers as you read this letter is accumulating at an average rate of about $6 million a day."

The delay costs cited by Mr. Casey were taken from an RTC analysis of Congressional funding delay costs, which found that if Congressional action on RTC funding legislation is postponed until April of 1993, the avoidable cost of delay for the October to April period will be approximately $1 billion.

"Funding the RTC is not a discretionary item. We are fulfilling a pledge made fifty-nine years ago, when the deposit insurance system was created," the letter continued.

"Holding funding hostage only punishes the taxpayers by raising the already heavy burden they bear in resolving the savings and loan debacle."

"We have protected 22 million deposit accounts, sold or liquidated 652 thrifts, and recovered $273 billion for taxpayers through asset sales. In three short years, the RTC has closed the vast majority of thrifts expected to fail and has sold two-thirds of one of the world's largest asset bases," Mr. Casey noted. He stressed now is the time to finish the job.

RTC MAKES HOUSING AVAILABLE FOR HURRICANE RELIEF IN DADE COUNTY

On September 9, 1992, the RTC began giving Dade County officials the keys to housing units in its Florida inventory that will be used to provide temporary housing to victims of Hurricane Andrew. Initially, the county will take control of 65 properties, which will be made available to homeless families for three months, with options for monthly extensions.

"The victims of Hurricane Andrew cannot wait for permanent solutions -- we need to provide temporary shelter now," said Albert V. Casey, the RTC's President and CEO. "This cooperative venture between the RTC and Dade County provides shelter immediately to those in need. A special commendation goes to Stanley Tate and his community for their efforts in identifying appropriate housing, and to officials in Dade County who will be administering this program." The county has designated Jaquin Avino, Metropolitan Dade County Manager, at 305-375-5311, as the appropriate contact person.

Stanley Tate, a resident of Bay Harbor Islands, Florida, and a member of the RTC's Region I Advisory Board, has been coordinating with Dade County on temporary transfers of these and other properties.

The RTC struck an agreement with the city of South Miami to make space available in South Miami's Bakery Center to store non-perishable goods. A 20,000-square-foot warehouse in Miami has also been offered by the RTC for use as a temporary shelter or storage facility.

In a related action, the RTC has established a temporary moratorium on property sales within the area affected by Hurricane Andrew. Although properties already under sales contracts will remain within those agreements, sales efforts on other properties will be suspended so they can be made available for the homeless and to prevent profiteering.

The RTC also issued interim measures instructing RTC loan servicers in the affected area to use servicing standards set forth by the Federal National Mortgage Association's (Fannie Mae) *Special Relief Provisions* for assets affected by Hurricane Andrew. Every loan servicer will be expected to assist affected mortgagors in devising temporary payment plans to prevent or minimize delinquencies. Mortgagees in all loan categories, including single-family, commercial, and multi-family, are covered by this interim measure.

RTC OFFERS FIVE NEW ISSUES OF MORTGAGE-BACKED SECURITIES IN LARGEST MONTHLY OFFERING TO DATE

The RTC offered five mortgage pass-through securities issues in September totaling about $4.4 billion, the RTC's largest monthly offering to date. The securities are designated RTC Mortgage Pass-Through Certificates, Series 1992-11, 1992-12 and 1992-14, and RTC Commercial Mortgage Pass-Through Certificates, Series 1992-C6 and 1992-C7.

The Series 1992-11 securities are backed by approximately $1 billion of fixed- and adjustable-rate single-family mortgage loans originated by 235 savings associations prior to their placement in the RTC's conservatorship program. Bear, Stearns & Co. Inc. served as the lead managing underwriter for the offering.

The Series 1992-12 securities are backed by approximately $1.2 billion of fixed- and adjustable-rate single-family mortgage loans originated by 148 savings associations prior to their placement in the RTC's conservatorship program. The First Boston Corporation served as the lead managing underwriter for the offering.

The Series 1992-14 securities are backed by approximately $500 million of fixed- and adjustable-rate single-family mortgage loans originated by 186 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-C6 securities are backed by approximately $826 million of fixed- and adjustable-rate commercial mortgage loans originated by 163 savings associations prior to their placement in the RTC's conservatorship program. Morgan Stanley & Co. Incorporated served as the lead managing underwriter for the offering.

The Series 1992-C7 securities are backed by approximately $900 million of fixed- and adjustable-rate commercial mortgage loans originated by 62 savings associations prior to their placement in the RTC's conservatorship program. Kidder, Peabody & Co. Incorporated served as the lead managing underwriter for this 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, multi-family and manufactured housing mortgage pass-through securities. There have been 40 previous takedowns from the RTC's $24 billion shelf totaling approximately $20.3 billion. In addition, the RTC filed a separate registration with the SEC for one issue of home equity loan securities issue totaling about $300 million.

THREE FLORIDA RESIDENTS ARRESTED ON CHARGES OF DEFRAUDING RTC

A Florida couple and a Florida man were arrested on September 30, 1992, following their indictment on September 29, 1992, by a federal grand jury in Tampa, Florida, in connection with a scheme to defraud the RTC by billing the RTC for goods and services that were not provided.

The 20-count indictment alleges that between December 1990 and December 1991, Warren Adams and his wife, Goldean Adams, were officers and managers of Golco Management Corporation, Tampa, a company that managed certain RTC properties. The Adamses and Bruce Jones, all of Plant City, were also officers and managers of SWAT Development Corporation, Tampa, a company that provided certain goods and service to these properties. Through the corporations, the defendants allegedly devised schemes to manipulate bids for work done at the RTC properties and to fraudulently bill the RTC for goods and services that were not provided, obtaining more than $100,000 from the RTC.

The three defendants are charged with conspiracy, impeding the lawful functions of the RTC, misapplication of funds, making false statements to the RTC, and conducting illegal financial transactions. If convicted of all the charges, the three defendants face a total of 580 years in prison and $19 million in fines.

The continuing investigation is being conducted by the RTC Office of Inspector General (OIG), in conjunction with the Federal Bureau of Investigation (FBI). For further information, contact Clark W. Blight of the RTC OIG on (703) 908-7860.

RTC RECEIVERSHIP ATTORNEY AND ASSET MANAGER SENTENCED FOR BANK FRAUD

Two men, a former attorney and an asset manager for the RTC's Southwest Federal Savings Association (Southwest) receivership in Dallas, Texas, were each sentenced on September 2, 1992, for one count of bank fraud in U.S. Federal District Court, Northern District of Texas.

George Cleo Dillon, an attorney who had served as legal counsel for Southwest, was sentenced to serve two years in prison and three years of probation upon his release. Stephen K. Renshaw, a former Southwest employee, was sentenced to serve 18 months in prison and three years of probation upon his release.

Prior to the sentencings, the federal government had recovered or accounted for over $480,000 of the $507,908 the two men had diverted. As part of their sentences, both men were ordered to share in restitution to ensure the RTC received full payment for the funds that had been diverted.

Both men entered guilty pleas on June 24, 1992, to charges arising from a scheme in which more than $500,000 in RTC funds was diverted into a private account. Dillon and Renshaw used false identifications to open an unauthorized commercial checking account in the name of RTC Collections at Comerica Bank Texas, N.A., Dallas, in February 1992. They then forged and deposited into the account nine checks, payable to the RTC as receiver for Southwest, which totaled $507,908. Dillon and Renshaw used the funds to pay personal credit card debts and attempted to purchase gold coins with an approximate value of $341,000.

The investigation was conducted by the RTC OIG and the FBI. For further information, contact Clark W. Blight of the RTC OIG on (703) 908-7860.

RTC CONSERVATORSHIP BRANCH MANAGER IN TUCSON SENTENCED FOR EMBEZZLEMENT

Carlos Borboa, a former Branch Sales Manager of the failed Great American Federal Savings Association (Great American), San Diego, California, was sentenced on September 1, 1992, to serve six months in jail and five years of probation in connection with his guilty plea to a charge of embezzlement. Borboa, who worked for Great American's South Tucson Branch, Tucson, Arizona, was sentenced in U.S. District Court for the District of Arizona. Great American has been under the supervision of the RTC since August 9, 1991.

Based on information developed during an investigation conducted jointly by the RTC OIG and the FBI, Borboa had been charged with embezzling over $15,000 by making unauthorized withdrawals from a customer's account. The majority of the funds were embezzled after Great American was placed in conservatorship under the RTC.

As a part of the sentencing, Borboa was also ordered to make full restitution and was ordered to inform any potential future employer of his conviction.

RTC TO SELL LANDMARK PROPERTIES THROUGH BANKRUPTCY COURT

On September 16, 1992, the RTC announced that it would sell the premier golf course and resort properties of the Landmark Land Companies through the bankruptcy court.

On September 12, 1992, the RTC gained management control of the five Landmark Land Companies, subsidiaries of the failed Oak Tree Savings Bank (Oak Tree), New Orleans, Louisiana, which were placed in bankruptcy by Landmark on October 11, 1991, two days before the thrift was declared insolvent.

At approximately the same time, Landmark secured an injunction preventing the RTC from taking management control of these subsidiaries, which include golf course and resort properties. During the week of September 7, 1992, the Fourth Circuit Court of Appeals in Richmond, Virginia, ordered the dissolution of the injunction, and the U.S. Supreme Court declined to delay the effect of the Appeals Court decision.

Among the subsidiary properties are several championship golf courses and resorts, including Mission Hills Country Club and PGA West in California; Kiawah Island Resort in South Carolina; Palm Beach Polo & Country Club in Florida; and Oak Tree Country Club and Oak Tree Golf Club in Oklahoma. Other properties are located in California, Louisiana, and Oklahoma.

Upon dissolution of the injunction, the RTC removed the directors and top executives at Landmark's headquarters in Carmel, California. However, the RTC intends to keep in place employees involved in the daily operations of the resorts and clubs.

RTC personnel, with the assistance of American Golf Corporation, Santa Monica, California, and Hilton Hotels Corporation of Beverly Hills, California, will provide oversight management of the properties.

The RTC has initiated meetings with creditors and club members and intends to submit a reorganization plan to the bankruptcy court in the near future. The RTC also is developing a marketing plan to sell the properties.

RTC REOPENS BIDDING FOR BANNING LEWIS RANCH IN COLORADO SPRINGS

The marketing of Banning Lewis Ranch, Colorado Springs, Colorado, resumed on October 1, 1992, and will continue for approximately 60 days from that date. If a binding sales agreement cannot be reached by December 1, 1992, the property will be considered for inclusion in the RTC's new Land Fund portfolio.

The 22,250-acre parcel located along the eastern boundary of Colorado Springs is being offered at a list price of $23.8 million. It is the most sizeable, largely undeveloped parcel of property in the RTC's inventory, and it has been available for sale since August 1989. Although several potential purchasers have expressed interest in the property, none has submitted an acceptable, binding purchase offer.

The property was an asset of Western Savings and Loan Association, F.A., Phoenix, Arizona. The book value carried by the institution was $235 million.

The RTC's broker for this property is Southwest Harvard-Fuller and Company/Sonnenblick-Goldman Joint Venture. Additional property information is available from the broker who can be reached at (303) 292-2215.

RTC SOLICITS PARTNERSHIP PROPOSALS FOR $2 BILLION NATIONAL LAND FUND

The RTC is soliciting proposals from investors to join the RTC as partners in its $2 billion National Land Fund.

"The Land Fund will be the the RTC's first use of a partnership for the disposition of a large portfolio of undeveloped land and distressed real estate assets," said Lamar C. Kelly, Jr., Senior Vice President of Asset Management and Sales. "This partnership structure allows the RTC to privatize management of 10 percent of its land holdings while retaining the opportunity to recover funds for the taxpayer in the future if land values rise above current levels."

Investors will contribute cash to the partnership equal to 25 percent of the acquisition price. The land portfolio is expected to have a book value of $2 billion. The acquisition price will be set based on the highest qualified bid submitted to the RTC. The RTC's contribution of the land will represent its 75 percent equity interest in the partnership.

Once selected, the private investor group will serve as general partner with broad authority for managing the fund. The general partner and the RTC will share on a proportionate basis in all proceeds recovered until each has received an amount equal to its initial capital contribution. At that point, cash flows will be shared equally. The general partner will be responsible for funding a reserve account to defray holding costs such as real estate taxes.

Aproximately 60 to 70 percent of the fund will be comprised of non-performing and sub-performing loans; the remainder will be real estate owned. Over 1,000 undeveloped, partially developed, and distressed land assets primarily from Arizona, California, Colorado, Florida, and Texas, will be included in the fund and will be divided into five or six regional pools.

Potential private sector partners will be prequalified based on their asset management, land development, collection and workout experience, and financial capability. Prequalification will begin in late October and continue through mid-Januatry. Detailed offering materials will be distributed in one month; bidders will have access to a national data room located in Dallas, Texas, which will have detailed files on each asset. After potential partners have been prequalified, a deadline will be set for submission of their investment proposal.

"This partnership arrangement provides the investor significant leverage without creating the financial risk associated with a highly leveraged debt structure," said Mr. Kelly. "The interests of the RTC and the investors are closely aligned while giving incentive to the private sector manager to maximize recovery value."

For further information on the bidding process, interested investors should contact: Louis Dubin, RTC Project Manager of the Land Fund, at (202) 416-4203; David Porter, Vice President of LaSalle Partners, at (212) 503-1587; or Lawrence Cohen, President and CEO of PaineWebber Properties Inc., at (212) 713-4296.

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 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 per-minute on-line phone charge. All fees can be billed either to a credit card or an account number established with WR Systems.

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) 416-7558
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) 782-6328

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
Inception to August 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 %	$30.9	2,985
PA	406	178.2	3.0	2.41	22.64	157.3	18,250
PO	88	7.6	0.0	0	0	8.2	615
Total	652	$216.1	$3.1	2.08 %	20.42 %	$196.4	21,850

<u>* Deal Type:</u>

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.

Asset Reductions By Type of Asset

(Dollars in Millions)

	Inception Through 8/31/92	August 1992	1992 To Date
Cash & Securities			
Book Value Reduction	$120,113	$1,514	$15,282
Discount from Book Value	2,849	(27)	392
Sales & Principal Collections	117,264	1,541	14,890
1–4 Family Mortgages			
Book Value Reduction	84,662	905	16,105
Discount from Book Value	2,916	30	541
Sales & Principal Collections	81,746	875	15,564
Other Mortgages			
Book Value Reduction	37,739	416	11,909
Discount from Book Value	4,188	136	2,167
Sales & Principal Collections	33,551	280	9,743
Other Loans			
Book Value Reduction	24,007	176	4,164
Discount from Book Value	1,497	9	369
Sales & Principal Collections	22,510	167	3,795
Real Estate			
Book Value Reduction	14,123	328	3,786
Discount from Book Value	5,001	161	1,877
Sales & Principal Collections	9,122	167	1,909
Other Assets			
Book Value Reduction	15,308	1,012	6,128
Discount from Book Value	2,659	375	1,677
Sales & Principal Collections	12,649	637	4,451
Total Assets			
Book Value Reduction	295,952	4,351	57,374
Discount from Book Value	19,110	685	7,023
Sales & Principal Collections	$276,841	$3,667	$50,352

Notes: Data for inception through August 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 $1.6 billion from inception through July 31, 1992.

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

652 Closed Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsid-iaries	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	15.6	5.8	3.4	0.1	0.6	0.0	45.9
Assets Retained (After Putbacks)	18.2	47.1	46.7	15.0	17.1	5.8	20.2	170.2
Principal Collections	12.1	31.9	13.8	6.8	3.6	2.7	5.1	76.1
Other Changes (Net) /2	0.9	4.5	1.9	2.6	2.1	(3.8)	3.6	11.8
Receivership Assets as of August 31, 1992	$5.3	$10.7	$31.0	$5.6	$11.4	$6.8	$11.5	$82.3

69 Conservatorship Institutions

	Cash & Securities	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate	Subsid-iaries	Other Assets	Total
Assets at Takeover	$20.4	$16.7	$11.9	$3.0	$3.5	$1.2	$2.2	$58.9
Reductions During Conservatorship								
Sales Proceeds	10.5	4.6	1.5	0.7	0.4	0.0	0.5	18.3
Payment & Maturities	6.0	2.1	1.2	0.6	0.0	0.1	0.2	10.2
Other Changes (Net)	(5.6)	(0.2)	0.0	(0.0)	0.2	0.0	(0.5)	(6.1)
Conservatorship Assets as of August 31, 1992	$9.5	$10.3	$9.2	$1.6	$2.9	$1.0	$2.0	$36.5

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

All 721 Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsid-iaries	Other Assets	Total
Assets at Takeover................................	$106.3	$109.0	$77.9	$29.0	$29.8	$10.8	$20.2	$383.1
Reductions During Conservatorship								
Sales Proceeds..................................	51.5	19.6	3.8	4.4	5.3	0.2	1.6	86.5
Payment & Maturities.........................	33.4	14.5	10.1	8.0	0.0	1.1	1.2	68.4
Other Changes (Net) /1........................	(26.6)	1.8	2.3	(3.4)	4.3	2.0	(4.9)	(24.5)
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	15.6	5.8	3.4	0.1	0.6	0.0	45.9
Assets Retained (After Putbacks).......	18.2	47.1	46.7	15.0	17.1	5.8	20.2	170.2
Principal Collections.........................	12.1	31.9	13.8	6.8	3.6	2.7	5.1	76.1
Other Changes (Net) /2.......................	0.9	4.5	1.9	2.6	2.1	(3.8)	3.6	11.8
Conservatorship and Receivership Assets as of August 31, 1992................................	$14.8	$21.0	$40.2	$7.2	$14.3	$7.9	$13.5	$118.9

/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 $14.5 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.