

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. IV NO. 8

August 1993

Roger C. Altman, Interim Chief Executive Officer

William H. Roelle, Senior Vice President,
Chairman, Executive Committee

- * **662 Thrifts Closed by RTC from its Inception in August 1989 Through July 1993. 22.0 Million Deposit Accounts have been Protected.**
- * **Two Institutions Closed in June. Five Institutions Closed in July.**
- * **RTC Sold or Collected Assets with a Book Value of \$5.6 Billion in June, \$367 Billion, Net of Assets Putback to RTC, Since Inception.**
- * **Recoveries on Asset Reductions Totaled \$4.1 Billion (73% of Book Value) in June, \$334 Billion (91% of Book Value) Since Inception.**

RTC CASELOAD

Through July 31, 1993, the RTC resolved 662 institutions. Two resolutions occurred in June and five in July. The RTC took one institution into its conservatorship program in June and none in July. The number of conservatorships totalled 83 at the end of June and 78 at the end of July.

ASSET INVENTORY

In June, the amount of assets under RTC management, including both conservatorships and receiverships, remained at \$82 billion. The total inventory remained constant due to the addition of a large institution into the RTC's conservatorship program which offset sales and collections during the period. The \$82 billion of assets under RTC manage-

ment on June 30 consisted of: \$15 billion in cash and securities, \$10 billion in performing one-to four-family mortgages, \$14 billion in other performing loans, \$17 billion in delinquent loans, \$9 billion in real estate, \$7 billion in investments in subsidiaries, and \$9 billion in other assets.

RTC June Caseload (\$ in billions)

	Number	Assets	Liabilities	Deposits
End of May	84	\$32.0	\$34.9	\$26.3
New Conservatorships	1	4.0	3.6	2.5
Resolved Cases	2	0.2	0.2	0.1
End of June	83	\$34.8	\$37.8	\$28.0

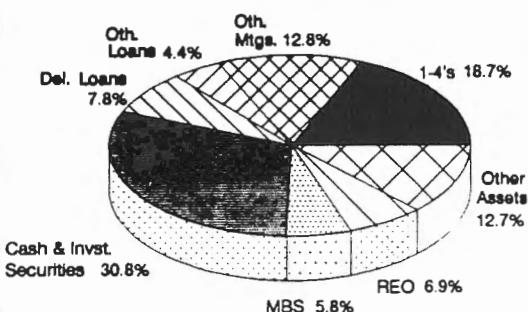
Assets and liabilities based on preliminary 6/30/93 and 5/31/93 financial reports.

CONSERVATORSHIP, RECEIVERSHIP ASSETS

UNDER RTC MANAGEMENT

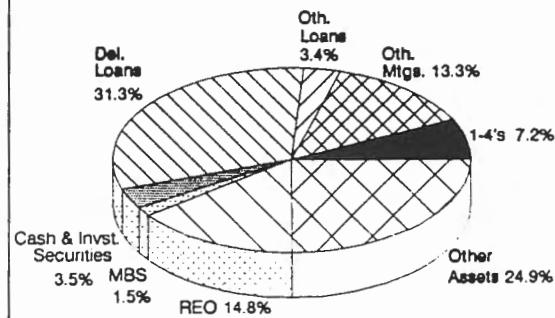
As of June 30, 1993

CONSERVATORSHIPS As of June 30, 1993



(Percentage Of Gross Assets)

RECEIVERSHIPS As of June 30, 1993



(Percentage Of Gross Assets)

CONSERVATORSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent
		Gross Assets
Cash & Invst. Sec.	\$10.7	30.8 %
Mtg. Backed Sec.	2.0	5.8
Perf. Lns. - Total	12.5	35.9
1-4 Family Mtgs.	6.5	18.7
Cstrn. & Land	1.1	3.2
Other Mtgs.	3.3	9.6
Other Loans	1.5	4.4
Del. Lns. - Total	2.7	7.8
1-4 Family Mtgs.	0.5	1.4
Cstrn. & Land	0.8	2.4
Other Mtgs.	1.1	3.1
Other Loans	0.3	0.8
Real Estate Owned	2.4	6.9
Subsidiaries	1.3	3.7
Other Assets	3.1	9.0
Gross Assets	\$34.8	100.0 %

Data based on preliminary 6/30/93 information
Number of institutions: 83

RECEIVERSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent
		Gross Assets
Cash & Invst. Sec.*	\$1.7	3.5 %
Mtg. Backed Sec.	0.7	1.5
Perf. Lns. - Total	11.3	23.9
1-4 Family Mtgs.	3.4	7.2
Cstrn. & Land	1.4	3.0
Other Mtgs.	4.8	10.3
Other Loans	1.6	3.4
Del. Lns. - Total	14.7	31.3
1-4 Family Mtgs.	0.9	1.9
Cstrn. & Land	4.6	9.7
Other Mtgs.	6.9	14.6
Other Loans	2.4	5.2
Real Estate Owned	7.0	14.8
Subsidiaries	5.5	11.6
Other Assets	6.3	13.3
Gross Assets	\$47.1	100.0 %

Data based on preliminary 6/30/93 information
Number of institutions: 657

* Excludes \$11.4 billion in cash, investments (including restricted investments), and accounts receivable accumulated by Receiverships.

The 83 conservatorships held \$35 billion in gross assets on June 30, 1993. Of the total, cash and securities (including a substantial amount of short term securities purchased with the proceeds of asset sales) represented 37%; performing 1-4 family mortgages, 19%; other performing loans, 17%; delinquent loans, 8%; real estate, 7%; investments in subsidiaries, 4%; and other assets, 9%.

Assets in receiverships remaining from the 657 institutions closed by the RTC amounted to \$47 billion on June 30. 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 46% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 12% of receivership assets. The \$47 billion excludes approximately \$11 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections.

ASSET REDUCTIONS

In June, the proceeds of asset sales and other principal collections totalled \$4.1 billion. This included \$1.4 billion in sales proceeds from conservatorships, \$0.9 billion in other conservatorship asset collections, \$0.1 billion in resolution sales, and \$1.7 billion in receivership sales and principal collections. From inception through June, the RTC collected \$134 billion from securities, \$98 billion from 1-4 family mortgages, \$47 billion from other mortgages, \$26 billion from non-mortgage loans, \$13 billion from real estate, and \$17 billion from other assets.

In terms of book value, June sales and collections totalled \$5.6 billion. The average recovery rate on the collection of these assets was 73%. During the month, the RTC recovered 98% from securities, 96% from 1-4

family mortgages, 58% from other mortgages, 64% from non-mortgage loans, 42% from real estate, and 63% from other assets.

From the inception of the RTC through June, book value asset reductions totalled \$367 billion, and the RTC recovered 91% on these collections. From inception, the RTC has recovered 98% from securities, 97% from 1-4 family mortgages, 83% from other mortgages, 92% from non-mortgage loans, 58% from real estate, and 76% from other assets.

The RTC also collected \$0.5 billion in receivership income in June. From its inception to June 30, 1993, the RTC has collected \$16.3 billion in receivership income.

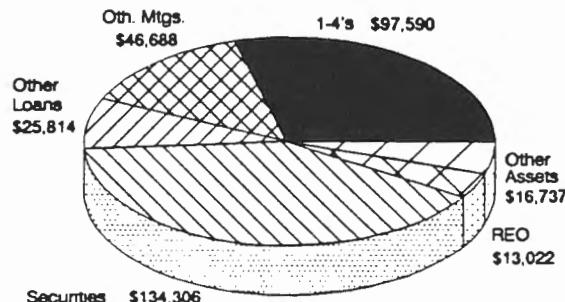
QUARTERLY ASSET ACTIVITY

A look at quarterly activity of RTC assets throughout 1992 and 1993 shows that conservatorship assets have decreased only 2% from \$35.7 billion at the end of the first quarter of 1993 to \$34.8 billion at the end of the second quarter of 1993, due to the addition of \$4 billion in assets of a new conservatorship which offset the ongoing conservatorship asset sales effort by the RTC. Conservatorship assets are 50% greater than at the end of the second quarter of 1992. The higher amount of assets results from the RTC taking some large institutions into conservatorship during the latter half of 1992, most notably HomeFed Bank, F.A. of San Diego, CA, and the inability to resolve these institutions due to the lack of Congressional funding.

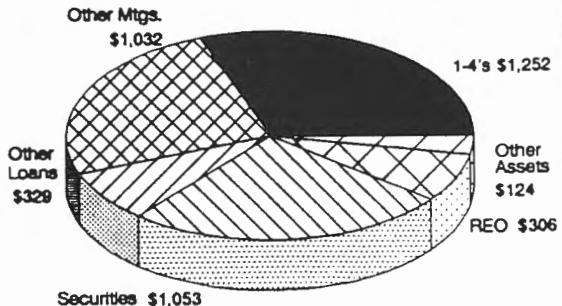
Payments and maturities of conservatorship assets during the second quarter of 1993 showed a decrease from the first quarter of 1993, dropping from \$4.6 billion to \$4.1 billion. Sales proceeds declined by 57% over the same two quarters. Losses from the disposition of assets amounted to \$500 million for the second quarter of 1993, a \$200 million increase from the first quarter of 1993, leading to a lower recovery rate on the sale of

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

INCEPTION 1989 THROUGH JUNE 1993
(\$ in millions)



JUNE 1993
(\$ in millions)



Inception through June 1993

	Conservatorships		Resolution Sales (Net) *	Receivership Sales & Collections	Total
	Sales	Collections			
Securities	\$58,334	\$40,624	\$20,925	\$14,422	\$134,306
1-4 Family Mortgages	27,449	16,540	15,463	38,139	97,590
Other Mortgages	7,088	11,144	5,528	22,930	46,688
Other Loans	4,841	9,415	3,337	8,222	25,814
REO	6,860	0	147	6,215	13,022
Other Assets	2,208	2,576	408	11,545	16,737
TOTALS	\$106,579	\$80,300	\$45,805	\$101,472	\$334,157

June 1993

	Conservatorships		Resolution Sales	Receivership Sales & Collections	Total
	Sales	Collections			
Securities	\$427	\$491	\$22	\$113	\$1,053
1-4 Family Mortgages	843	159	53	196	1,252
Other Mortgages	20	112	10	890	1,032
Other Loans	3	169	2	156	329
REO	77	0	3	226	306
Other Assets	29	16	1	78	124
TOTALS	\$1,399	\$947	\$91	\$1,658	\$4,096

1993 Year to Date

	Conservatorships		Resolution Sales	Receivership Sales & Collections	Total
	Sales	Collections			
Securities	\$2,872	\$5,995	\$423	\$1,053	\$10,343
1-4 Family Mortgages	3,892	956	59	2,428	7,334
Other Mortgages	1,484	576	12	4,894	6,965
Other Loans	287	1,039	2	733	2,062
REO	901	0	3	1,087	1,971
Other Assets	100	131	3	897	1,132
TOTALS	\$9,536	\$8,897	\$501	\$11,073	\$29,807

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

Note: Receivership sales and collections include sales and collections of assets held by RTC in its corporate capacity.

Quarterly Asset Activity
1992 – 1993
(Dollars In Billions)

	2nd Quarter 1993	1st Quarter 1993	4th Quarter 1992	3rd Quarter 1992	2nd Quarter 1992
CONSERVATORSHIP ACTIVITY					
Conservatorship Assets at Beginning of Period.....	\$35.7	\$40.2	\$34.0	\$23.2	\$27.1
ADD:					
New Conservatorship Assets.....	3.8	2.1	12.6	17.2	4.5
LESS:					
Conservatorship Payments & Maturities.....	4.1	4.6	2.9	2.3	1.8
Conservatorship Sales Proceeds.....	2.8	6.7	8.2	5.5	3.0
Loss on Sales.....	0.5	0.3	0.3	0.2	0.1
Other Changes (add).....	(3.4)	(4.9)	(5.2)	(2.9)	(6.2)
Assets of Resolved Conservatorships.....	0.7	0.0	0.2	1.2	9.7
Conservatorship Assets at End of Period.....	34.8	35.7	40.2	34.0	23.2
RESOLUTION & RECEIVERSHIP ACTIVITY					
Receivership Assets at Beginning of Period.....	55.3	63.4	72.5	87.6	87.4
ADD:					
Assets of Resolved Conservatorships.....	0.7	0.0	0.2	1.2	9.7
Accelerated Resolution Program Assets.....	0.0	0.0	0.0	0.0	3.3
LESS:					
Resolution Sales (Gross of Putbacks).....	0.5	0.0	0.2	0.1	2.2
Receivership Payments & Maturities.....	1.8	1.8	1.3	5.4	3.0
Receivership Sales Proceeds.....	3.7	3.7	4.9	7.7	7.5
Loss on Sales.....	3.8	3.0	3.5	4.5	2.3
Other Changes (add).....	(0.9)	(0.5)	(0.5)	(1.4)	(2.2)
Receivership Assets at End of Period.....	47.1	55.3	63.4	72.5	87.6
Total Assets at End of Period.....	\$81.9	\$90.9	\$103.6	\$106.5	\$110.8
Recovery Rate on Asset Sales and Collections.....	75%	84%	82%	82%	88%

assets from the first quarter of 1993. The higher loss recognized on the sale of assets in conjunction with the lower dollar volume sold indicates that the assets remaining in conservatorship are of a lesser quality, and have a lower realized value when sold. This is not surprising since many of these institutions have been in conservatorship for a long time due to the lack of funding for resolutions and much of the better quality assets have already been sold.

Sales to acquirers of thrifts measured only \$700 million during the second quarter of 1993. Due to a lack of a funding, the RTC has only resolved six thrifts since April 1992. However, as a result of a General Accounting Office audit, which indicated a lower expected loss on already resolved institutions, the RTC was able to market 23 institutions for resolution. These resolutions will be funded by the excess reserves held for prior resolutions. The 23 resolutions will take place in the latter half of 1993.

Assets held in receiverships dropped from \$55.3 billion at the end of the first quarter of 1993 to \$47.1 billion at the end of the second quarter of 1993, a 15% decline. Since June 30, 1992, assets in receivership decreased by 46%, from \$87.6 billion.

Receivership payments and maturities, and sales proceeds remained constant between the first and second quarter of 1993, registering \$1.8 billion and \$3.7 billion respectively in both quarters. However, the RTC realized \$3.8 billion in losses from the disposition of receivership assets during the second quarter of 1993, up from \$3.0 billion in the first quarter of 1993, an indication of the lower quality of assets left in receivership.

Overall, assets under RTC control continued to decrease. As of June 30, 1993, the RTC controlled \$81.9 billion in assets, whereas it held \$110.8 billion on June 30, 1992. From March 31, 1993, to June 30, 1993, assets fell

by 10%. In disposing of assets, the RTC recovered, on average, 75% of the asset book value reduction during the second quarter of 1993, a decrease from 84% in the first quarter of 1993, and 88% during the second quarter of 1992. The RTC expects the asset recovery rate to decline as the remaining asset inventory declines in quality.

MAJOR ASSET SALES:

- * The Potomac Village Apartment complex, Alexandria, Virginia, was sold to the Center for Cooperative Housing, Alexandria, for \$6.1 million, or 75 percent of its book value, through the RTC's Affordable Housing Disposition Program. The complex, located at 3900 Bruce Street, was an asset retained by the RTC following the resolution of the former Perpetual Savings Bank, F.S.B., Vienna, Virginia, on January 10, 1992.
- * One hundred and thirty commercial, residential, and land properties in Texas were sold for \$5.4 million, or 17 percent of their total book value, at the "Houston Independence" auction on July 22 in Houston, Texas. The properties, principally land located in the Houston area, were assets of several failed Texas thrifts.
- * The Villages of Westcreek, a partially developed residential community on 1,035 acres, located near San Antonio, Texas, was sold to Westcreek Joint Venture, San Antonio, for approximately \$5.2 million, or 48 percent of its book value. The development, located west of the intersection of FM Loop 1604 and Military Drive West in Western Bexar County, was an asset retained by the RTC following the resolution of San Antonio Savings Association, F.A., San Antonio, Texas, on March 9, 1990.
- * The Cornerstone Business and Industrial Park, San Antonio, Texas, was sold to Richland Cornerstone, Ltd., Tampa, Florida, for approximately \$3.6 million, or 37 percent of its book value. The industrial park, located at the northeast corner of Loop 410 and I-10 in San Antonio, was an asset retained by the RTC following the resolution of San Antonio Savings Association, F.A., San Antonio, Texas, on March 9, 1990.
- * The Woodland Park Apartment complex, Atlanta, Georgia, was sold to Jacaranda, Inc., Warner Robins, Georgia, for approximately \$1.4 million, or 51 percent of its book value. The complex, lo-

cated on 12 acres of land in the 7200 block of Campbellton Road, was an asset retained by the RTC following the resolution of San Antonio Savings Association, F.A., San Antonio, Texas, on March 9, 1990.

THRIFT CLOSINGS

The RTC closed two institutions in June and five institutions in July. As of the end of July, RTC resolutions had protected 22 million deposit accounts from financial loss. These accounts had an average account balance of \$9,000.

The total number of thrift closings was 657 from the establishment of the RTC in August 1989 through June 30, 1993. These thrifts held \$217 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 to the RTC under put-back provisions of resolution transactions).

Estimated resolution cost for the 657 closed thrifts totalled \$79.6 billion, after taking into account the reduction in loss estimates for already resolved institutions confirmed by GAO's audit of the RTC's 1992 financial statements. The \$79.6 billion represented 32% of their total liabilities at the time of resolution. If the insured deposits of all 657 institutions had been paid out to depositors, the estimated resolution cost would have been \$82.8 billion. The \$3.2 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 657 resolutions were as follows:

Transaction Type Of the 657 cases, 410 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 89 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: 2.44% 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 June 1993. 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.

Type of Acquirer Banks acquired 384 of the resolved institutions, while thrifts acquired 184.

Number of Bids 47% of the institutions attracted two or fewer bids; 22% attracted three or four bids; and 31% attracted five or more bids. Some of the bids were for only part of the franchise.

Thrift Size Whereas 76% of the resolved institutions had assets of less than \$250 million, there have been 48 resolutions of thrifts with more than \$1 billion in assets. These 48 thrifts accounted for 58% of the assets held by resolved thrifts.

Location Texas institutions accounted for 137 of the resolutions. Other states with a large number of resolutions were California, Louisiana, Illinois, and Florida. Resolved institutions from Texas and California held the most assets, followed by Florida.

**Resolution Trust Corporation
Characteristics of 657 Resolutions
Inception through June 30, 1993
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	384	\$127.7	\$1 Billion or more	48	\$125.5
Thrift	184	81.6	\$500 to 999 Million	45	31.5
TOTAL--Acquirers	568	209.4	\$250 to 499 Million	62	21.7
Payouts	89	7.7	Under \$250 Million	502	38.3
TOTAL	657	\$217.1	TOTAL	657	\$217.1

Location of Resolved Institution	Number of Cases	Total Assets	Number of Bids Received	Number of Cases	Total Assets
Texas	137	\$43.5	5 or more bids	203	\$97.8
California	57	33.8	4 bids	57	25.1
Louisiana	48	4.7	3 bids	90	22.7
Illinois	47	7.3	2 bids	103	36.6
Florida	38	22.0	1 bid	138	28.6
New Jersey	26	9.6	No bids	66	6.2
Kansas	20	3.8			
Other	284	92.4	TOTAL	657	\$217.1
TOTAL	657	\$217.1			

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	53	\$5.2	5% or more	67	\$20.2
50 to 74.9%	80	14.7	3 to 4.9%	66	50.2
25 to 49.9%	144	57.8	1 to 2.9%	166	53.7
Under 25%	380	139.4	Under 1%	358	92.9
TOTAL	657	\$217.1	TOTAL	657	\$217.1

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	87	\$19.1
40 to 59.9%	133	31.1
20 to 39.9%	225	76.8
Under 20%	212	90.0
TOTAL	657	\$217.1

* Branch sales involving multiple acquirers are classified according to the insurance status of the majority of acquirers.

** Core deposits are estimated as deposits with balances below \$80,000.

*** Assets passed are net of putbacks.

Note: Assets and liability data reflect post-closing revisions.

Assets Sold to Acquirers In 58% of the cases, less than 25% of the assets were sold to acquirers. However, in 53 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 437 cases, but over 60% for 87 cases.

Savings Over Insured Deposit Payout Costs Estimated savings over insured deposit payout costs were less than 1% of core deposits in 54% of the resolutions; however, these resolutions represented only 43% of total assets.

SOURCES AND USES OF FUNDS

From its inception through June 30, 1993, the RTC obtained \$116 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 \$29 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$92 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

SOURCES AND USES OF FUNDS

(\$ in billions)

Inception through June 30, 1993

SOURCES:

Initial Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
Additional Appropriations	36.7
FFB Borrowings	29.1
Total External Sources	115.9
Recoveries from Receiverships	92.2
TOTAL SOURCES	<u>\$208.1</u>

USES:

Resolutions and Receivership Funding	\$ 191.4
Conservatorship Advances Outstanding *	6.3
FFB Interest	7.5
Other Disbursements (Net)**	-0.5
TOTAL USES	204.7
NET CASH AVAILABLE	<u>\$ 3.4</u>

* 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.

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 657 resolutions through June 30 required outlays of \$191.4 billion from the RTC. Outstanding advances to conservatorships existing at the end of June totalled \$6.3 billion. Interest on FFB borrowings was \$7.5 billion. This left \$3.4 billion in cash on hand on June 30.

NEWS NOTES:

BIDS TOTAL \$404.2 MILLION IN AUCTION OF LANDMARK CLUBS, RESORTS

Six premier golf course and resort properties were purchased from the RTC for bids totaling \$404.2 million at an auction held July 14 in Dallas, Texas.

Winning bidders for the properties were KSL Recreation Group Ltd., Vail, CO, which purchased PGA West and La Quinta Hotel Golf & Tennis Resort, both located in La Quinta, CA; Club Corporation of America, Dallas, Texas, which purchased Mission Hills, Rancho Mirage, CA; Morgan Stanley Real Estate Fund L.P. Resorts Limited Partnership II, New York, NY, which purchased Carmel Valley Ranch, Santa Lucia Mountains, CA; Tri-State Group, Inc., Wheeling, WV, which purchased Palm Beach Polo and Country Club, West Palm Beach, FL; and Virginia Investment Trusts (AMF Companies), Richmond, VA, which purchased Kiawah Island Resort, Kiawah Island, SC.

The properties, with a total book value of approximately \$708 million, were assets of Landmark Land Companies, subsidiaries of the failed Oak Tree Savings Bank (Oak Tree), New Orleans, Louisiana.

"The properties are considered to be some of the world's premier championship golf courses and resorts," said Lamar C. Kelly, Jr., RTC Senior Vice President, Division of Asset Management and Sales. "We are very excited with the results of this competitive bid process, which has maximized returns for the RTC, and ultimately the taxpayer."

The Landmark Land Companies were placed into bankruptcy before the RTC was appointed conservator of Oak Tree on October 15, 1991. After extensive litigation, the RTC gained management control of the Landmark Land Companies on September 12, 1992.

The bankruptcy court had approved the RTC's use of the auction method to sell the properties.

All of the purchases were approved by the bankruptcy court.

RTC TO AUCTION \$600 MILLION IN NON-PERFORMING LOANS IN KANSAS CITY

More than \$600 million in non-performing loans will be auctioned by the RTC in Kansas City, Missouri, on August 24 and 25.

The two-day auction, the third in a series of nationwide loan auctions by the RTC, will feature more than 14,000 loans grouped into approximately 200 packages that have been stratified by product type and geographic location.

The auction has been structured to provide expanded opportunities for smaller investors in accordance with the RTC's Small Investor Program. For this event, the loan packages have been decreased in size and localized, giving investors an opportunity to bid on assets in their respective geographic areas. Additionally, the agency has reduced its required bid deposit from \$100,000 to \$50,000.

The non-performing loan packages consist of one- to four-family mortgages, commercial real estate loans, and consumer loans; they range in book value from \$500,000 to \$9 million.

The auction will be conducted by JBS & Associates, Inc., Chicago, Illinois, at the Westin Crown Center, One Pershing Road, Kansas City, beginning at 1 p.m. on August 24, and at 9 a.m. on August 25.

Prospective bidders may obtain bid packages and additional information by contacting the auctioneer at 1-800-525-0777. Loan documents may be reviewed by appointment at the

RTC auction center at 2345 Grand Avenue, Kansas City. The office will be open between July 26 and August 23, from 8 a.m. until 6 p.m. Monday through Friday; and from 9 a.m. until 3 p.m. Saturday. The office will be closed on Sunday.

TWO FLORIDA RESIDENTS ARRESTED ON CHARGES OF DEFRAUDING RTC, SMALL BUSINESS ADMINISTRATION

Two North St. Petersburg, Florida, residents, Jack J. Pearson and Patricia D. Richards, were arrested on July 23 on charges of bank fraud and money laundering in connection with a scheme to defraud the RTC and the Small Business Administration (SBA).

The federal criminal complaint alleges that Largo-Belleair Corp., Largo, Florida, owned by Pearson, Richards, and others, purchased the former First Federal Savings and Loan Association, Largo, Florida, bank building for \$450,000 from the RTC using false financial information on its application for a loan from the RTC. The RTC provided \$315,000 in seller financing based upon fraudulent underwriting documentation from Largo-Belleair Corp. Largo Belleair Corp. told the RTC that Venture Group, Inc., Jacksonville, Florida, had extended a loan commitment of \$500,000. Venture Group, Inc. is a specialized small business investment company (SSBIC) that is also owned by Pearson, Richards, and others. This relationship was not disclosed to the RTC before it approved the seller financing.

The criminal complaint also alleges that Pearson, Richards, and others illegally purchased and seized control of Venture Group, Inc. to deplete its funds (in excess of \$800,000) and

illegally convert the funds to their own use. An SSBIC is a federally insured financial institution licensed by the SBA, which was created by Congress to provide financing and business expertise to socially or economically disadvantaged persons who own, or wish to establish, small businesses.

A temporary restraining order has frozen more than \$1 million in assets owned by Pearson, Richards, and others, including \$400,000 in 13 bank accounts and title to certain real property and personal property with an estimated value of more than \$600,000, including the RTC property.

The RTC Office of Inspector General (OIG) is continuing to assist in the investigation being conducted by the Federal Bureau of Investigation and the SBA OIG.

For further information, contact Clark W. Blight of the RTC OIG on 703-908-7860.

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.

RTC Resolutions
Inception to June 30, 1993
(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 %	12.49 %	\$30.8	2,985
PA	410	179.1	3.0	2.44	23.49	157.7	18,342
PO	89	7.7	0.0	.00	0	8.3	616
Total	657	\$217.1	\$3.2	2.11 %	21.10 %	\$196.8	21,942

*** 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) 782-8808
Securities Sales (Capital Markets)	(202) 416-7554
Contracting Office	(800) 541-1782
Inquiries Regarding S&Ls for Sale	(202) 416-7539
Office of Corporate Communications - Media Inquiries	(202) 416-7558
Low Income Housing Program	(202) 416-7348
Asset Claims	(202) 416-7262
Information Center ATI (Complaints)	(800) 348-1484

RTC Small Investors Program	(800) 421-2073
RTC Special Resources Clearinghouse	(800) 466-6288
Reading Room - Public Information	(202) 416-8940
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
June 1993
(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
Vista FSA, Canoga Park, CA	PO	06/04/93	Payout, None, NA	\$93.7	\$7.0	\$0.0	0.00%
First Home FSA, Pittsburgh, PA	PA	06/30/93	First Home FSB, FSB, Pittsburgh, PA	\$90.7	\$0.0	\$90.7	100.00%
Total				\$184.3	\$7.0	\$90.7	49.19%
Grand Total-Inception through June 30, 1993				\$217,068.2	\$79,580.0	\$45,805.4	21.10%

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 6/30/93	June 1993	1993 To Date
<u>Cash & Securities</u>			
Book Value Reduction	\$137,663	\$1,071	\$10,758
Discount from Book Value	3,357	18	415
Sales & Principal Collections	134,306	1,053	10,343
<u>1-4 Family Mortgages</u>			
Book Value Reduction	101,081	1,308	7,710
Discount from Book Value	3,491	56	375
Sales & Principal Collections	97,590	1,252	7,334
<u>Other Mortgages</u>			
Book Value Reduction	56,186	1,776	10,000
Discount from Book Value	9,498	744	3,035
Sales & Principal Collections	46,688	1,032	6,965
<u>Other Loans</u>			
Book Value Reduction	28,096	518	2,580
Discount from Book Value	2,281	189	518
Sales & Principal Collections	25,814	329	2,062
<u>Real Estate</u>			
Book Value Reduction	22,302	727	4,175
Discount from Book Value	9,281	422	2,204
Sales & Principal Collections	13,022	306	1,971
<u>Other Assets</u>			
Book Value Reduction	22,025	198	2,138
Discount from Book Value	5,288	74	1,006
Sales & Principal Collections	16,737	124	1,132
<u>Total Assets</u>			
Book Value Reduction	367,353	5,598	37,360
Discount from Book Value	33,196	1,503	7,553
Sales & Principal Collections	\$334,157	\$4,096	\$29,807

Notes: Data for inception through June 30, 1993 are net of putbacks recorded to date.

Data exclude asset transfers between receiverships, subsidiaries, and RTC Corporate.

Resolution sales are shown at book value. Proceeds of assets sales at resolution are not separable from amounts paid for deposits of resolved thrifts.

Beginning Assets and Asset Reductions
Inception Through June 1993
(\$ in billions)

657 Closed Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsidiaries	Other Assets	Total
Assets at Takeover.....	\$86.6	\$92.6	\$66.2	\$26.1	\$26.6	\$8.8	18.6	\$325.5
Reductions During Conservatorship								
Sales Proceeds.....	41.2	15.4	2.0	3.6	5.0	0.2	1.1	68.6
Payment & Maturities.....	27.6	12.5	8.9	7.4	0.0	1.0	1.0	58.4
Other Changes (Net) /1.....	(21.0)	1.8	2.5	(3.4)	2.6	5.4	(6.6)	(18.6)
Assets at Resolution.....	38.8	62.9	52.8	18.4	18.9	2.1	23.1	217.1
Resolution & Receivership Reductions								
Assets Passed (Net of Putbacks).....	20.9	15.5	5.5	3.3	0.1	0.0	0.4	45.8
Assets Retained (After Putbacks).....	17.9	47.4	47.2	15.1	18.8	2.1	22.7	171.3
Principal Collections.....	14.4	38.1	22.9	8.2	6.2	0.1	11.5	101.5
Other Changes (Net) /2.....	1.1	5.0	6.6	2.9	5.6	(3.4)	5.0	22.7
Receivership Assets as of June 30, 1993.....	\$2.4	\$4.3	\$17.7	\$4.0	\$7.0	\$5.5	\$6.3	\$47.1

83 Conservatorship Institutions

	Cash & Securities	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate	Subsidiaries	Other Assets	Total
Assets at Takeover.....	\$24.4	\$22.5	\$15.1	\$4.4	\$4.5	\$1.7	\$3.5	\$76.2
Reductions During Conservatorship								
Sales Proceeds.....	17.1	12.1	5.1	1.2	1.7	0.0	0.9	38.0
Payment & Maturities.....	13.0	4.0	2.2	2.1	0.0	0.1	0.4	21.9
Other Changes (Net)	(18.5)	(0.6)	1.5	(0.7)	0.4	0.2	(0.9)	(18.5)
Conservatorship Assets as of June 30, 1993.....	\$12.8	\$7.0	\$6.4	\$1.8	\$2.4	\$1.3	\$3.1	\$34.8

Beginning Assets and Asset Reductions
Inception Through June 1993
(\$ in billions)

All 740 Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsidiaries	Other Assets	Total
Assets at Takeover.....	\$111.1	\$115.1	\$81.4	\$30.4	\$31.0	\$10.5	\$22.2	\$401.7
Reductions During Conservatorship								
Sales Proceeds.....	58.3	27.4	7.1	4.8	6.7	0.3	2.0	106.6
Payment & Maturities.....	40.6	16.5	11.1	9.4	0.0	1.1	1.5	80.3
Other Changes (Net) /1.....	(39.5)	1.2	4.0	(4.1)	3.0	5.7	(7.5)	(37.1)
Assets at Resolution.....	38.8	62.9	52.8	18.4	18.9	2.1	23.1	217.1
Resolution & Receivership Reductions								
Assets Passed (Net of Putbacks).....	20.9	15.5	5.5	3.3	0.1	0.0	0.4	45.8
Assets Retained (After Putbacks).....	17.9	47.4	47.2	15.1	18.8	2.1	22.7	171.3
Principal Collections.....	14.4	38.1	22.9	8.2	6.2	0.1	11.5	101.5
Other Changes (Net) /2.....	1.1	5.0	6.6	2.9	5.6	(3.4)	5.0	22.7
Conservatorship and Receivership Assets as of June 30, 1993.....	\$15.2	\$11.3	\$24.1	\$5.9	\$9.4	\$6.8	\$9.4	\$81.9

/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 \$11.4 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.