

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL V NO. 5

May 1994

John E. Ryan, Deputy and Acting Chief Executive Officer

- * **710 Thrifts Closed by RTC from its Inception in August 1989 Through April 1994. 23.3 Million Deposit Accounts have been Protected.**
- * **Twelve Institutions Closed in March. Fifteen Institutions Closed in April.**
- * **RTC Sold or Collected Assets with a Book Value of \$4.0 Billion in March, \$407 Billion, Net of Assets Put Back to RTC, Since Inception.**
- * **Recoveries on Asset Reductions Totaled \$2.3 Billion (57% of Book Value) in March, \$362 Billion (89% of Book Value) Since Inception.**

RTC CASELOAD

In April, the RTC resolved fifteen institutions to bring the total number of resolutions to 710 since the inception of the RTC in 1989. As of April 30, 1994, the RTC had 33 institutions remaining in its conservatorship program. All of the remaining institutions have been marketed for resolution, and it is expected that they all will be resolved by the third quarter of 1994. No institutions were placed in conservatorship in March or April.

ASSET INVENTORY

In March, the amount of assets under RTC management, including both conservatorships and receiverships, decreased from \$57

billion to \$54 billion. The decrease in assets reflects the ongoing sales effort by the RTC to reduce its asset inventory. The \$54 billion of assets under RTC management on March 31 consisted of: \$10 billion in cash and

RTC March Caseload (\$ in billions)

	Number	Assets	Liabilities	Deposits
End of February	60	\$22.1	\$26.6	\$17.0
New Conservatorships	0	0.0	0.0	0.0
Resolved Cases	12	0.5	0.7	0.5
End of March	48	\$20.8	\$25.2	\$16.2

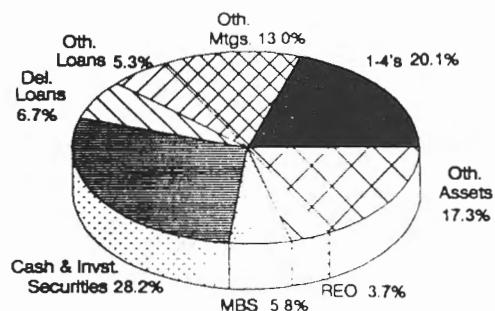
Assets and liabilities based on preliminary 3/31/94 and 2/28/94 financial reports.

CONSERVATORSHIP, RECEIVERSHIP ASSETS

UNDER RTC MANAGEMENT

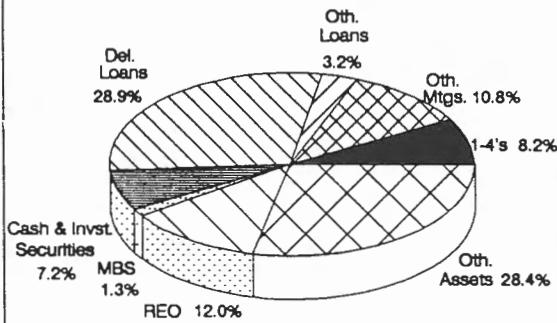
As of March 31, 1994

CONSERVATORSHIPS As of March 31, 1994



(Percentage Of Gross Assets)

RECEIVERSHIPS As of March 31, 1994



(Percentage Of Gross Assets)

CONSERVATORSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$5.9	28.2 %
Mtg. Backed Sec.	1.2	5.8
Perf. Lns. - Total	8.0	38.4
1-4 Family Mtgs.	4.2	20.1
Cstrn. & Land	0.6	2.7
Other Mtgs.	2.1	10.3
Other Loans	1.1	5.3
Del. Lns. - Total	1.4	6.7
1-4 Family Mtgs.	0.3	1.5
Cstrn. & Land	0.2	0.9
Other Mtgs.	0.7	3.5
Other Loans	0.2	0.8
Real Estate Owned	0.8	3.7
Subsidiaries	1.4	6.9
Other Assets	2.2	10.4
Gross Assets	\$20.8	100.0 %

Data based on preliminary 3/31/94 information
Number of institutions: 48

RECEIVERSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.*	\$2.4	7.2 %
Mtg. Backed Sec.	0.4	1.3
Perf. Lns. - Total	7.4	22.1
1-4 Family Mtgs.	2.7	8.2
Cstrn. & Land	0.7	2.0
Other Mtgs.	2.9	8.8
Other Loans	1.1	3.2
Del. Lns. - Total	9.6	28.9
1-4 Family Mtgs.	0.9	2.6
Cstrn. & Land	2.8	8.4
Other Mtgs.	4.3	12.8
Other Loans	1.7	5.1
Real Estate Owned	4.0	12.0
Subsidiaries	5.1	15.2
Other Assets	4.4	13.3
Gross Assets	\$33.3	100.0 %

Data based on preliminary 3/31/94 information
Number of institutions: 695

* Excludes \$10.3 billion in cash, investments (including restricted investments), and accounts receivable accumulated by receiverships.

securities, \$7 billion in performing 1-4 family mortgages, \$8 billion in other performing loans, \$11 billion in delinquent loans, \$5 billion in real estate, \$6 billion in investments in subsidiaries, and \$7 billion in other assets.

The 48 conservatorships held \$21 billion in gross assets on March 31, 1994. Of the total, cash and securities (including a substantial amount of short term securities purchased with the proceeds of asset sales) represented 34%; performing 1-4 family mortgages, 20%; other performing loans, 18%; delinquent loans, 7%; real estate, 4%; investments in subsidiaries, 7%; and other assets, 10%.

Assets in receiverships remaining from the 695 institutions closed by the RTC amounted to \$33 billion on March 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 41% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 17% of receivership assets. The \$33 billion excludes approximately \$10 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections.

ASSET REDUCTIONS

In March, the proceeds of asset sales and other principal collections were \$2.3 billion. This included \$0.2 billion in sales proceeds from conservatorships, \$1.0 billion in other conservatorship asset collections, \$0.2 billion in resolution sales, \$0.5 billion in receivership sales, and \$0.4 billion from other receivership principal collections. From inception through March, the RTC collected \$148 billion from securities, \$101 billion from 1-4 family mortgages, \$51 billion from other mortgages, \$28 billion from non-mortgage loans, \$15 bil-

lion from real estate, and \$19 billion from other assets.

In terms of book value, March sales and collections were \$4.0 billion. The average recovery rate on the collection of these assets was 57%. During the month, the RTC recovered 95% from securities, 94% from 1-4 family mortgages, 49% from other mortgages, 60% from non-mortgage loans, 32% from real estate, and 30% from other assets.

From the inception of the RTC through March, book value asset reductions were \$407 billion, and the RTC recovered 89% on these collections. From inception, the RTC has recovered 98% from securities, 96% from 1-4 family mortgages, 78% from other mortgages, 90% from non-mortgage loans, 55% from real estate, and 69% from other assets.

The RTC also collected \$0.2 billion in receivership income in March. From its inception to March 31, 1994, the RTC has collected \$18.7 billion in receivership income.

QUARTERLY ASSET ACTIVITY

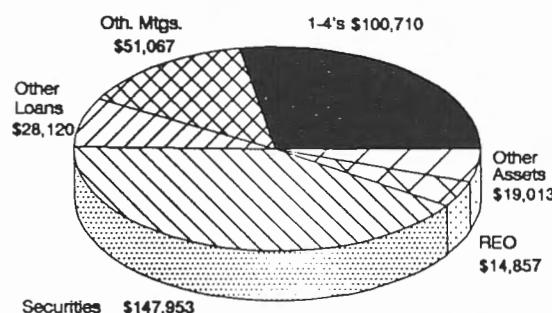
A look at RTC conservatorship asset activity shows a steady decline in the inventory of RTC conservatorship assets in each quarter from the beginning of 1993 to the first quarter of 1994. From the beginning of 1993 to March 31, 1994 assets held by RTC conservatorships have decreased 48% from \$40.2 billion at the beginning of 1993 to \$20.8 billion on March 31, 1994. The reduction represents the continuing conservatorship sales effort by the RTC and the resumption of RTC resolutions. In addition, the RTC only took into conservatorship eight institutions with \$6.1 billion in assets during 1993 and the first quarter of 1994.

Payments and maturities of conservatorship assets decreased from \$4.7 billion during the first quarter of 1993 to \$2.2 billion in the first quarter of 1994, a 54% decline.

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

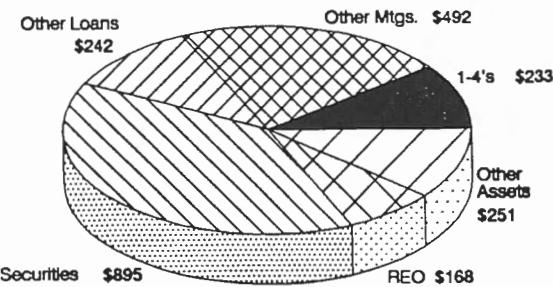
INCEPTION 1989 THROUGH MARCH 1994

(\$ in millions)



MARCH 1994

(\$ in millions)



Inception through March 1994

	Conservatorships		Resolution Sales (Net) *	Receiverships		Total
	Sales	Collections		Sales	Collections	
Securities	\$80,806	\$49,011	\$23,060	\$8,587	\$6,488	\$147,953
1-4 Family Mortgages	28,301	17,578	15,520	30,078	9,232	100,710
Other Mortgages	7,504	11,768	5,573	17,412	8,809	51,067
Other Loans	5,187	10,597	3,355	4,788	4,193	28,120
REO	7,319	0	146	7,393	0	14,857
Other Assets	2,357	3,114	468	3,709	9,364	19,013
TOTALS	\$111,474	\$92,068	\$48,122	\$71,968	\$38,087	\$361,719

March 1994

	Conservatorships		Resolution Sales	Receiverships		Total
	Sales	Collections		Sales	Collections	
Securities	\$24	\$651	\$83	\$115	\$22	\$895
1-4 Family Mortgages	12	106	25	9	81	233
Other Mortgages	38	46	42	232	135	492
Other Loans	46	121	1	32	41	242
REO	75	0	0	93	0	168
Other Assets	9	26	0	59	158	251
TOTALS	\$204	\$950	\$152	\$538	\$436	\$2,282

1994 Year to Date

	Conservatorships		Resolution Sales	Receiverships		Total
	Sales	Collections		Sales	Collections	
Securities	\$59	\$1,298	\$101	\$220	\$78	\$1,756
1-4 Family Mortgages	31	293	25	102	217	668
Other Mortgages	113	148	42	865	414	1,583
Other Loans	120	332	1	53	109	616
REO	161	0	0	257	0	418
Other Assets	29	92	0	80	440	641
TOTALS	\$513	\$2,163	\$170	\$1,578	\$1,258	\$5,682

*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.

The distribution of Receivership sales and collections for 1989 and 1990 is estimated.

Quarterly Asset Activity

1993 – 1994

(Dollars In Billions)

	1st Quarter 1994	4th Quarter 1993	3rd Quarter 1993	2nd Quarter 1993	1st Quarter 1993
CONSERVATORSHIP ACTIVITY					
Conservatorship Assets at Beginning of Period.....	\$23.2	\$30.2	\$34.8	\$35.7	\$40.2
ADD:					
New Conservatorship Assets.....	0.0	0.0	0.1	3.8	2.1
LESS:					
Conservatorship Payments & Maturities.....	2.2	2.7	4.5	3.7	4.7
Conservatorship Sales Proceeds.....	0.5	1.1	3.4	2.8	6.7
Loss on Sales.....	0.1	0.2	0.6	0.5	0.3
Other Changes (add).....	(1.2)	(1.8)	(6.0)	(3.1)	(5.1)
Assets of Resolved Conservatorships.....	0.7	4.8	2.2	0.7	0.0
Conservatorship Assets at End of Period.....	20.8	23.2	30.2	34.8	35.7
RESOLUTION & RECEIVERSHIP ACTIVITY					
Receivership Assets at Beginning of Period.....	40.3	43.3	47.1	55.3	63.4
ADD:					
Assets of Resolved Conservatorships.....	0.7	4.8	2.2	0.7	0.0
Accelerated Resolution Program Assets.....	0.0	0.0	0.0	0.0	0.0
LESS:					
Resolution Sales (Gross of Putbacks).....	0.2	1.5	0.8	0.5	0.0
Receivership Payments & Maturities.....	1.3	1.4	1.7	1.8	1.8
Receivership Sales Proceeds.....	1.6	1.6	1.2	3.7	3.7
Loss on Sales.....	4.6	3.5	3.0	3.8	3.0
Other Changes (add).....	0.0	(0.1)	(0.6)	(0.9)	(0.5)
Receivership Assets at End of Period.....	33.3	40.3	43.3	47.1	55.3
Total Assets at End of Period.....	\$54.2	\$63.5	\$73.5	\$81.9	\$91.0
Recovery Rate on Asset Sales and Collections.....	55%	69%	76%	74%	84%

Proceeds from the sale of conservatorship assets have also declined, from a high of \$6.7 billion in the first quarter of 1993 to a low of \$0.5 billion in the first quarter of 1994. The recovery rate on the disposition of conservatorship assets has varied from 82% to 85% from the second quarter of 1993 through the first quarter of 1994.

Sales to acquirers of thrifts began to increase with the resumption of RTC resolutions in the latter half of 1993. Resolution sales measured \$800 million in the third quarter and \$1.5 billion in the fourth quarter. The resolution of HomeFed Bank, FA of San Diego, CA on December 3, 1993 netted \$1.3 billion in resolution sales proceeds. While 15 thrifts were resolved in the first quarter of 1994, only \$0.2 billion in assets were sold to thrift acquirers as the RTC focused on resolving its smaller institutions.

Assets held by the RTC in receiverships declined from \$63.4 billion at the beginning of 1993 to \$33.3 billion at the end of the first quarter of 1994, a 47% decline.

Receivership payments and maturities and receivership sales proceeds have both declined. Payments and maturities decreased by 31% in comparing the first quarter of 1993 to the first quarter of 1994. In terms of book value, receivership sales dipped in the third quarter of 1993; sales have increased in the last two quarters. Losses on the disposition of receivership assets have continued to rise, increasing from \$3.0 billion in the first quarter of 1993 to \$4.6 billion in the first quarter of 1994. Most of the losses in the first quarter of 1994 were attributable to the disposition of Judgements and Deficiencies, which typically have a negligible recovery rate.

Overall, assets under RTC control continued to decrease. As of March 31, 1994, the RTC controlled \$54.2 billion in assets, whereas it held \$103.6 billion on January 1, 1993, a decline of 48%. In disposing of assets,

recoveries on asset book value declined from a high of 84% in the first quarter of 1993 to a low of 55% in the first quarter of 1994. The RTC expects the total percentage of proceeds recovered to the asset book value reduced to decline as lower quality assets are liquidated.

MAJOR ASSET SALES:

- * Snowcreek, a 52-acre parcel of land located in Park City, Utah was recently sold by the RTC for \$1.7 million. The property is comprised of undeveloped land and an operating convenience store. Wind River Petroleum, Inc., Salt Lake City, Utah, purchased the property for 15 percent of its original book value. Snowcreek was an asset of the former Western Savings and Loan Association, Phoenix, Arizona.
- * Superstition III, a 929-acre parcel of undeveloped residential land in Gilbert, Arizona, was recently sold by the RTC for \$3.8 million. Lennar Communities Development, Inc. of Miami, Florida, purchased the property for approximately 21 percent of its original book value. Superstition III was an asset of the former Sun State Savings and Loan Association, FSA, Phoenix, Arizona.
- * Fiesta Tech, a 53-acre parcel of land located in Gilbert, Arizona, was recently sold by the RTC for \$1.8 million. New Church Ventures Credit Corporation, Phoenix, Arizona, purchased the property for 58 percent of its original book value. Fiesta Tech was an asset of the former Western Savings and Loan Association, FA Phoenix, Arizona.
- * Twenty-six properties in the San Antonio, Texas, area were sold by the RTC for approximately \$1.8 million at an auction on April 5 in San Antonio. The properties were assets of several failed Texas thrift institutions. The winning bid of approximately \$1 million for the Lost Valley Resort Ranch, a 586-acre dude ranch and golf course in Bandera, Texas, accounted for more than half of the auction's sales total. The remaining properties were principally land parcels located in the San Antonio area. The properties sold for more than 75 percent of book value. A total of 214 registered bidders participated in the auction.

THRIFT CLOSINGS

The RTC closed twelve institutions in March and fifteen institutions in April. As of the end of April, RTC resolutions had protected 23.3 million deposit accounts from financial loss. These accounts had an average account balance of \$9,000.

The total number of thrift closings was 695 from the establishment of the RTC in August 1989 through March 31, 1994. These thrifts held \$225 billion in assets at the time of closure. Of the total, \$48 billion of assets, or 21%, were sold to acquirers (after taking into account assets returned to the RTC under putback provisions of resolution transactions).

Estimated resolution costs for the 695 closed thrifts totaled \$81.9 billion. The \$81.9 billion represented 32% of their total liabilities at the time of resolution. If the insured deposits of all 695 institutions had been paid out to depositors, the estimated resolution cost would have been \$85.4 billion. The \$3.5 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. These savings were equal to 2% of core deposits, represented by deposits with balances below \$80,000.

Some of the characteristics of the 695 resolutions were as follows:

Transaction Type Of the 695 cases, 447 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 90 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: 2.59% of core deposits, compared to 0.67% for IDTs. Although only 64% of RTC resolutions were P&As, these transactions accounted for 81% of the deposits that have been made whole by the RTC from its inception through March 1994. In 1994, 14 institutions have been resolved using P&As with one payout. The RTC received an 8.56% premium over deposit payoff costs for these 14 institutions.

The P&A transactions included 35 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed in the conservatorship program.

Type of Acquirer Banks acquired 397 of the resolved institutions, while thrifts acquired 208 from inception through March 31, 1994.

In 1994, 9 of the 15 resolved institutions have been acquired by thrifts.

Number of Bids While only 33% of resolved thrifts attracted five or more bids prior to 1994, 60% attracted five or more bids during the first quarter of 1994.

Thrift Size Although 77% of the resolved institutions had assets of less than \$250 million, there have been 49 resolutions of thrifts with more than \$1 billion in assets. These 49 thrifts accounted for 58% of the assets held by resolved thrifts.

In 1994, every institution resolved has had assets of less than \$250 million.

Location Texas was the state with the most resolutions. Other states with a large number of resolutions were California, Louisiana, Il-

Resolution Trust Corporation
Characteristics of 695 Resolutions
Inception through March 31, 1994
(Dollars in Billions)

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	397	\$128.6	\$1 Billion or more	49	\$129.8
Thrift	208	88.5	\$500 to 999 Million	46	32.4
TOTAL--Acquirers	605	217.1	\$250 to 499 Million	65	22.7
Payouts	90	7.7	Under \$250 Million	535	39.8
TOTAL	695	\$224.8	TOTAL	695	\$224.8

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	230	\$104.9
California	64	39.1	4 bids	59	25.1
Louisiana	49	4.7	3 bids	94	24.9
Illinois	49	7.5	2 bids	106	35.0
Florida	40	22.1	1 bid	139	28.6
New Jersey	28	9.7	No bids	67	6.2
Kansas	22	3.9	TOTAL		\$224.8
Other	306	94.2			
TOTAL	695	\$224.8			

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	54	\$5.2	5% or more	91	\$26.7
50 to 74.9%	89	15.2	3 to 4.9%	68	51.1
25 to 49.9%	154	63.2	1 to 2.9%	174	53.9
Under 25%	398	141.2	Under 1%	362	93.1
TOTAL	695	\$224.8	TOTAL	695	\$224.8

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

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

*** *Assets passed are net of putbacks.*

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

**Resolution Trust Corporation
Characteristics of 15 Resolutions
YTD through March 31, 1994
(Dollars in Millions)**

Type of Acquirer *	Number		Size of Resolved Institution (Assets)	Number	
	of Cases	Total Assets		of Cases	Total Assets
Bank	5	\$195.1	\$1 Billion or more	0	\$0.0
Thrift	9	434.1	\$500 to 999 Million	0	0.0
TOTAL--Acquirers	14	629.2	\$250 to 499 Million	0	0.0
Payouts	1	7.6	Under \$250 Million	15	636.8
TOTAL	15	\$636.8	TOTAL	15	\$636.8

Location of Resolved Institution	Number		Number of Bids Received	Number	
	of Cases	Total Assets		of Cases	Total Assets
California	2	\$16.3	5 or more bids	9	\$527.7
Illinois	2	213.8	4 bids	1	10.6
Massachusetts	2	97.1	3 bids	1	10.6
Virginia	2	65.8	2 bids	1	8.7
Other	7	243.8	1 bid	2	71.7
TOTAL	15	\$636.8	No bids	1	7.6
			TOTAL	15	\$636.8

Percentage of Assets Passed to Acquirers***	Number		Savings over Deposit Payout Costs as % of Core Deposits **	Number	
	of Cases	Total Assets		of Cases	Total Assets
75% or more	0	\$0.0	5% or more	8	\$498.6
50 to 74.9%	4	252.8	3 to 4.9%	1	10.6
25 to 49.9%	1	10.6	1 to 2.9%	4	81.1
Under 25%	10	373.4	Under 1%	2	46.5
TOTAL	15	\$636.8	TOTAL	15	\$636.8

Estimated Resolution Cost as a % of Liabilities	Number		* <i>Branch sales involving multiple acquirers are classified according to the insurance status of the majority of acquirers.</i>
	of Cases	Total Assets	
60% or more	2	\$18.2	** <i>Core deposits are estimated as deposits with balances below \$80,000.</i>
40 to 59.9%	4	211.7	
20 to 39.9%	7	255.4	*** <i>Assets passed are net of putbacks.</i>
Under 20%	2	151.5	
TOTAL	15	\$636.8	<i>Note: Assets and liability data reflect post-closing revisions.</i>

linois, and Florida. Resolved institutions from Texas and California held the most assets, followed by Florida.

Assets Sold to Acquirers In 57% of the cases, less than 25% of the assets were sold to acquirers compared to only 8% of the cases with 75% or more of the assets passed. Most of the assets purchased were securities and 1-4 family mortgages.

Savings Over Insured Deposit Payout Costs Estimated savings over insured deposit payout costs were less than 1% of core deposits in 52% of the resolutions; however, these resolutions represented only 41% of total assets. Eight of the 15 institutions

resolved in 1994 have had savings over insured deposit payout costs of more than 5%.

RECEIVERSHIP TERMINATIONS

Since the inception of the Receivership Termination Program in July 1992, 89 receiverships which had \$5.0 billion in total gross assets at the time of takeover have been terminated. The percentage of total dividends paid to proven claimants was 82%, with \$2.9 billion of total dividends being paid on total proved claims of \$3.5 billion. The difference between the proven claims of the terminating receiverships and the actual total dividend paid represents essentially the negative book value net worth at resolution plus subsequent

Receivership Terminations Inception Through March 1994 (Dollars In Billions)	
Number of Receiverships Terminated or in Process of Termination (1).....	89
Book Value of Assets at Takeover.....	\$5.0
Book Value of Assets at Resolution.....	\$3.4
Book Value of Assets Sold and Collected at Resolution or in Receivership.....	\$3.2
Cash Proceeds from Assets Sold and Collected at Resolution or in Receivership.....	\$2.9
Total Book Value Purchased by Corporation.....	\$0.3
Estimated Cash Proceeds from Assets Purchased by Corporation.....	\$0.2
Total Dividends from Terminating Receiverships (2).....	\$2.9
Total Proven Claims on Terminating Receiverships.....	\$3.5
Pct. Dividends to Proven Claims.....	82%
<p>(1) Refers to receiverships that the RTC has approved for termination and which have reached at least the Corporate Purchase stage of the termination process. All dividends have been declared in the 89 receiverships. Three receiverships did not have remaining funds to pay a final dividend.</p> <p>(2) All payments paid to the RTC and other proven claimants over time on an undiscounted basis. Excludes \$357 million in repayments of RTC advances.</p> <p>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. Data are preliminary.</p>	

asset losses and expenses, net of income and deposit premiums paid by acquirors. Virtually all claims (99.96%) were from the RTC.

The 89 terminating receiverships had resolution and receivership book value reductions of \$3.2 billion, and recovered \$2.9 billion in cash proceeds from resolution and receivership sales and collections to the general public. The corporation purchased \$275 million in assets from these institutions for \$162 million. After the corporate purchase, the corporation has received \$82 million in cash proceeds from sales and collections on assets with a book value of \$156 million.

In the RTC Receivership Termination Program, the remaining assets of a receivership are purchased by the corporation and placed into a corporate pool for disposition. Final dividends are paid out to proved claimants of the receivership, other liabilities are written off, and the receivership is terminated.

SOURCES AND USES OF FUNDS

From its inception through March 31, 1994, the RTC obtained \$120 billion in funds from the following external sources: \$50 billion in FIRREA appropriations, \$41 billion in loss funds later authorized by Congress, and \$29 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$103 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

SOURCES AND USES OF FUNDS
(\$ in billions)
Inception through March 31, 1994

SOURCES:

Initial Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
Additional Appropriations	40.7
FFB Borrowings	28.8
Total External Sources	119.6
Recoveries from Receiverships	102.8
TOTAL SOURCES	\$222.4

USES:

Resolutions and Receivership Funding	\$ 198.2
Conservatorship Advances Outstanding *	6.9
FFB Interest	8.2
Other Disbursements (Net)**	-0.8
TOTAL USES	212.5
NET CASH AVAILABLE	\$ 9.8

* 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.

had not been obligated by the April 1, 1992 deadline. The RTC Completion Act, enacted into law on December 17, 1993, authorizes the Treasury to provide the RTC with up to \$18.3 billion in loss funds. If more than \$10 billion is needed, the Secretary of the Treasury must certify that RTC is complying with specified management reforms. As of March 31, 1994, \$4 billion of the \$18.3 billion had been released by the Thrift Depositor Protection Oversight Board to fund resolutions.

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 695 resolutions through March 31 required outlays of \$198.2 billion from the RTC. Outstanding advances to conservatorships existing at the end of March totaled \$6.9 billion. Interest on FFB borrowings was \$8.2 billion. This left \$9.8 billion in cash on hand on March 31.

NEWS NOTES

RTC EXPANDS OPPORTUNITIES, INCENTIVES FOR PURCHASE OF THRIFTS BY MINORITIES

On March 1, 1994, the RTC announced a new policy providing expanded opportunities for the acquisition of thrifts or branches serving minority neighborhoods to potential minority acquirers.

These expanded opportunities will be offered in an effort to preserve banking services in minority neighborhoods now served by thrifts operating in the RTC's conservatorship program and to facilitate acquisition of these facilities by minorities. The RTC will work with both non-minority bidders and minority interests to achieve these objectives.

"We will use both our assistance and outreach whenever possible to preserve banking services now in place for minority communities," said John E. Ryan, acting CEO. "I think this approach will produce valuable public benefits and take us to the cutting edge of the spirit of the recent minority preference provisions approved by Congress."

The RTC will do the following:

- * Make majority acquirers of branches located in predominantly minority neighborhoods aware of minority groups' interest in these branches, and actively encourage majority institutions to sell such branches to minority acquirers, especially in cases where the majority acquirer plans to close the branches.
- * Provide assistance to minority acquirers who, during the resolutions process, expressed interest

in branches located in minority neighborhoods so they can purchase these branches from the RTC or from winning majority bidders who purchase these facilities from the RTC. The RTC's assistance includes interim capital assistance, an option to purchase performing assets, and rent-free office space where premises are owned.

The terms of the assistance are as follows:

- * **Interim capital assistance:** Minority acquirers can obtain financing for up to two-thirds of the required regulatory capital and any premium, provided that the total amount financed does not exceed the tangible book value of the institution.
- * **Performing assets:** Minority acquirers can obtain performing assets to offset deposit liabilities, giving them the option to acquire assets at market value of up to 100 percent of net deposits from a pool valued at 110 percent of net deposits.
- * **Rent-free office space:** The RTC will make owned branch facilities available on a rent-free basis to minority acquirers for up to five years.

The RTC will also encourage majority bidders to participate in consortium bids with minority bidders interested in purchasing thrift branches in predominantly minority neighborhoods. Minority participants will be eligible for the full array of assistance while bidding within a consortium arrangement.

"I have heard from a number of minority groups who perceive that the RTC staff and its policies reflect a lack of commitment to pursue the spirit and intent of the minority preference provisions recently enacted by Congress," Mr. Ryan said. "The RTC is fully committed to the spirit of the law. To ensure there is no question about this commitment, I have formed a special task force that will serve as a monitor, program advocate, and instrument of change when changes are needed."

The task force will be comprised of Johnnie B. Booker, Vice President, Division of Minority and Women's Programs; J. Paul Ramey, Vice President, Division of Resolutions; and Thomas P. Horton, Vice President,

Division of Asset Management and Sales. The duties assigned to the task force include:

- * conducting outreach to potential minority acquirers;
- * reviewing RTC materials and bid information to ensure that consistent and accurate information is supplied to all potential bidders;
- * providing consistent and timely answers to questions and reviewing proposals regarding the RTC's minority institutions sales policies;
- * working as a proactive agent in the organization of minority consortia; and
- * exploring opportunities for the resale to minority interests of offices sold by the RTC to non-minority bidders.

"We will review our policies on an ongoing basis based on the results our program achieves, the feedback we receive, and the recommendations of the task force," Mr. Ryan said. "I will be open to all suggestions that will improve this sales effort."

RTC RECOVERS \$191 MILLION IN NATIONAL NON-PERFORMING LOAN AUCTION

The second national non-performing loan auction conducted as part of the RTC's Small Investor Program (SIP) resulted in the sale of 5,836 non-performing loans for \$191 million.

The RTC offered loans with a total principal balance of \$319 million during the two-day event. The 60 percent recovery rate is 10 percent higher than returns for a similar auction held in August 1993.

"Our efforts to reach out to buyers with moderate capital levels continue to pay off," said Phil Jones, acting Vice President for Asset Marketing. "The response to this auction was extremely positive, largely because the offerings included even smaller loan packages than those made available at the

first SIP-sponsored national loan auction, held in August 1993."

Approximately 600 people attended the auction, and 173 companies were registered to bid on the 225 loan packages, ranging in size from \$100,000 to \$4 million. There were 56 winning bidders.

The auction was conducted by JBS & Associates, Inc. of Chicago, Illinois. It was held April 26 and 27 in Kansas City, Missouri.

The RTC plans to hold two additional non-performing loan auctions in 1994 as the agency winds down the sale assets from former savings and loan institution. The events are currently slated for August and December.

RTC CONTRACTOR EMPLOYEE PLEADS GUILTY TO FRAUD

A former employee of MIRG Chester Resolution Group, Houston, Texas, a RTC contractor, pled guilty on March 30 to making a false statement and false representations concerning the appraised values of three RTC properties.

MIRG Chester Resolution Group was hired by the RTC to manage and sell assets from several failed thrifts.

Gregory J. Tunnell, while employed by MIRG Chester Resolution Group, was involved in a scheme to allow his brother-in-law to purchase three RTC properties at below-market values. Tunnell never obtained appraisals on the properties, and he misrepresented the properties' values. Tunnell's brother-in-law purchased two of the properties at below-market values. The third transaction was not completed.

Tunnell, who pled guilty in Federal Court in San Antonio, Texas, faces a maximum penalty of five years in prison and a \$250,000 fine.

Prior to entering his guilty plea, Tunnell made \$92,000 in restitution to the RTC.

The case was investigated by special agents of the RTC's Office of Inspector General (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, 12th Floor, RTC Review Mailing List, 801 17th Street, NW, Washington, DC 20434-0001.

Commonly Dialed 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
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) 416-7556
Low Income Housing Program	(202) 416-2823
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) 416-6940
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
Inception through March 31, 1994
(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	0.67 %	12.44 %	\$30.6	2,985
PA	447	186.8	3.4	2.59	23.77	165.5	19,436
PO	90	7.7	0.0	0.00	0.00	8.3	617
Total	695	\$224.8	\$3.5	2.25 %	21.41 %	\$204.4	23,038

RTC Resolutions
YTD through March 31, 1994
(Dollars in Millions)

Deal Type *	Number of Cases	Total Assets	Estimated Savings Over Payout Cost	Estimated Savings/ Core Deposits **	Percentage of Assets Passed***	Total Deposits	Number of Accounts (000's)
IDT	0	\$0.0	\$0.0	0.00 %	0.00 %	\$0.0	0
PA	14	629.2	46.6	8.56	27.07	606.2	99
PO	1	7.6	0.0	0.00	0.00	5.8	1
Total	15	\$636.8	\$46.6	8.50 %	26.75 %	\$612.0	100

*** 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.

RTC Resolutions
March 1994
(Dollars in Millions)

Institution Name / City / State	Deal Type*	Resolution Date	Acquirer Name / City / State	Total Assets	Estimated Resolution Cost	Assets Passed to Acquirers		Percentage of Assets Passed
						Net of Putbacks	Assets Passed	
New England FSA, Wellesley, MA	PA	03/04/94	Cambridgeport Bank, Cambridge, MA	\$39.0	\$17.4	\$6.3	\$6.3	16.23%
Plymouth FSA, Plymouth, MA	PA	03/11/94	Branch Sale to Various Institutions	\$58.2	\$21.6	\$37.2	\$37.2	64.00%
Life FSB, Clearwater, FL	PA	03/11/94	Life SB, FSB, Clearwater, FL	\$16.6	\$11.8	\$2.4	\$2.4	14.40%
Pioneer FSA & A, Prairie Village, KS	PA	03/11/94	Branch Sale to Various Institutions	\$101.1	\$50.1	\$1.0	\$1.0	1.04%
Federal SA of VA Falls Church, VA	PA	03/11/94	Fairfax B&TC, Fairfax, VA	\$10.6	\$10.3	\$0.2	\$0.2	2.08%
Irving FB for Savings, FSB, Chicago, IL	PA	03/18/94	Branch Sale to Various Institutions	\$140.9	\$16.6	\$74.0	\$74.0	52.50%
First FSA, Lewiston, ME	PA	03/18/94	Kingfield SB, Kingfield, ME	\$32.7	\$14.3	\$2.9	\$2.9	8.79%
Advanced FSB, Northridge, CA	PO	03/18/94	Payout, None, NA	\$7.6	\$15.3	\$0.0	\$0.0	0.00%
Liberty FSB, Warrenton, VA	PA	03/25/94	Jefferson NB, Charlottesville, VA	\$55.3	\$16.4	\$3.2	\$3.2	5.85%
Delta FSB, Westminster, CA	PA	03/25/94	East West FB, San Marino, CA	\$8.7	\$8.9	\$0.7	\$0.7	8.35%
Life FSB, Baton Rouge, LA	PA	03/25/94	Liberty B&TC, New Orleans, LA	\$10.6	\$1.4	\$4.8	\$4.8	45.43%
Abraham Lincoln FSA, Dresher, PA	PA	03/25/94	Branch Sale to Various Institutions	\$36.3	\$13.0	\$10.5	\$10.5	53.86%
Total				\$517.4	\$197.0	\$152.4	\$152.4	29.45%
Grand Total - Inception through March 31, 1994				\$224,815.2	\$81,886.6	\$48,122.1	\$48,122.1	21.41%

NA = Not Applicable

* Deal Type:

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

Note: Assets and estimated cost data reflect post-closing revisions and may differ from preliminary data previously released.

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

	Inception Through 3/31/94	March 1994	1994 To Date
<u>Cash & Securities</u>			
Book Value Reduction	\$151,534	\$942	\$1,839
Discount from Book Value	3,581	47	83
Sales & Principal Collections	147,953	895	1,756
<u>1-4 Family Mortgages</u>			
Book Value Reduction	104,470	249	715
Discount from Book Value	3,761	16	48
Sales & Principal Collections	100,710	233	668
<u>Other Mortgages</u>			
Book Value Reduction	65,480	1,013	3,072
Discount from Book Value	14,414	521	1,489
Sales & Principal Collections	51,067	492	1,583
<u>Other Loans</u>			
Book Value Reduction	31,118	404	875
Discount from Book Value	2,998	162	259
Sales & Principal Collections	28,120	242	616
<u>Real Estate</u>			
Book Value Reduction	27,119	524	1,169
Discount from Book Value	12,261	356	751
Sales & Principal Collections	14,857	168	418
<u>Other Assets</u>			
Book Value Reduction	27,427	844	2,740
Discount from Book Value	8,414	592	2,099
Sales & Principal Collections	19,013	251	641
<u>Total Assets</u>			
Book Value Reduction	407,148	3,976	10,411
Discount from Book Value	45,429	1,694	4,729
Sales & Principal Collections	\$361,719	\$2,282	\$5,682

Notes: Data for inception through March 31, 1994 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 March 1994
(Dollars in Billions)

695 Closed Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsidaries	Other Assets	Total
Assets at Takeover.....	\$89.9	\$100.6	\$70.9	\$27.2	\$28.3	\$10.0	18.6	\$345.6
Reductions During Conservatorship								
Sales Proceeds.....	46.5	21.5	4.3	4.1	6.0	0.2	1.3	84.0
Payment & Maturities.....	31.7	13.7	9.7	8.0	0.0	1.0	1.1	65.2
Other Changes (Net) /1.....	(30.3)	1.5	2.9	(3.4)	2.9	(0.9)	(1.0)	(28.4)
Assets at Resolution.....	41.9	63.9	54.1	18.6	19.4	9.7	17.3	224.8
Resolution & Receivership Reductions								
Assets Passed (Net of Putbacks).....	23.1	15.5	5.6	3.4	0.1	0.4	0.1	48.1
Assets Retained (After Putbacks).....	18.9	48.4	48.5	15.2	19.3	9.3	17.2	176.7
Principal Collections.....	15.1	39.3	26.2	9.0	7.4	5.0	8.0	110.1
Other Changes (Net) /2.....	1.0	5.5	11.6	3.5	7.9	(0.8)	4.7	33.3
Receivership Assets as of March 31, 1994.....	\$2.8	\$3.6	\$10.7	\$2.8	\$4.0	\$5.1	\$4.4	\$33.3

48 Conservatorship Institutions

	Cash & Securities	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate	Subsidaries	Other Assets	Total
Assets at Takeover.....	\$21.1	\$14.5	\$10.5	\$3.3	\$2.7	\$1.3	\$2.8	\$56.3
Reductions During Conservatorship								
Sales Proceeds.....	14.3	6.8	3.2	1.1	1.3	0.1	0.8	27.5
Payment & Maturities.....	17.3	3.8	2.1	2.6	0.0	0.1	0.9	26.9
Other Changes (Net)	(17.5)	(0.6)	1.6	(1.8)	0.7	(0.4)	(1.1)	(19.0)
Conservatorship Assets as of March 31, 1994.....	\$7.1	\$4.5	\$3.6	\$1.3	\$0.8	\$1.4	\$2.2	\$20.8

Beginning Assets and Asset Reductions
Inception Through March 1994
(Dollars in Billions)

All 743 Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsidiaries	Other Assets	Total
Assets at Takeover.....	\$111.1	\$115.2	\$81.4	\$30.4	\$31.0	\$11.3	\$21.4	\$401.8
Reductions During Conservatorship								
Sales Proceeds.....	60.8	28.3	7.5	5.2	7.3	0.3	2.0	111.5
Payment & Maturities.....	49.0	17.6	11.8	10.6	0.0	1.1	2.0	92.1
Other Changes (Net) /1.....	(47.8)	0.9	4.5	(5.2)	3.5	(1.3)	(2.1)	(47.4)
Assets at Resolution.....	41.9	63.9	54.1	18.6	19.4	9.7	17.3	224.8
Resolution & Receivership Reductions								
Assets Passed (Net of Putbacks).....	23.1	15.5	5.6	3.4	0.1	0.4	0.1	48.1
Assets Retained (After Putbacks).....	18.9	48.4	48.5	15.2	19.3	9.3	17.2	176.7
Principal Collections.....	15.1	39.3	26.2	9.0	7.4	5.0	8.0	110.1
Other Changes (Net) /2.....	1.0	5.5	11.6	3.5	7.9	(0.8)	4.7	33.3
Conservatorship and Receivership Assets as of March 31, 1994.....	\$9.9	\$8.1	\$14.3	\$4.1	\$4.8	\$6.5	\$6.6	\$54.2

/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 \$10.3 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.