

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. V NO. 11

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John E. Ryan, Deputy and Acting Chief Executive Officer

- * **742 Thrifts Closed by RTC from its Inception in August 1989 Through October 1994. 24.8 Million Deposit Accounts have been Protected.**
- * **Six Institutions Closed in September. Two Institutions Remain in Conservatorship .**
- * **RTC Sold or Collected Assets with a Book Value of \$3.7 Billion in September, \$427 Billion, Net of Assets Put Back to RTC, Since Inception.**
- * **Recoveries on Asset Reductions Totaled \$2.5 Billion (66% of Book Value) in September, \$376 Billion (88% of Book Value) Since Inception.**

RTC CASELOAD

As of October 31, 1994, the RTC had two institutions remaining in its conservatorship program. The two remaining institutions have been marketed for resolution. No institutions were placed in conservatorship in September or October. Through October 31, 1994, the RTC has resolved 742 thrifts since its inception in August 1989.

ASSET INVENTORY

In September, the amount of assets under RTC management, including both conservatorships and receiverships, decreased from \$40 billion to \$37 billion. The decrease in assets reflects the ongoing sales effort by the

RTC to reduce its asset inventory. The \$37 billion of assets under RTC management on September 30 consisted of: \$5 billion in cash and securities, \$5 billion in performing 1-4 family mortgages, \$7 billion in other perform-

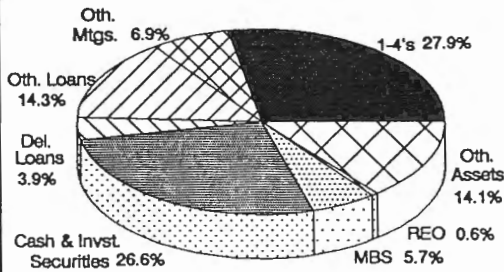
RTC September Caseload (\$ in billions)

	<u>Number</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Deposits</u>
End of August	8	\$8.6	\$9.0	\$5.3
New Conservatorships	0	0.0	0.0	0.0
Resolved Cases *	6	4.5	4.8	3.6
End of September	2	\$3.6	\$3.9	\$1.6

Assets and liabilities based on preliminary 9/30/94 and 8/31/94 financial reports.

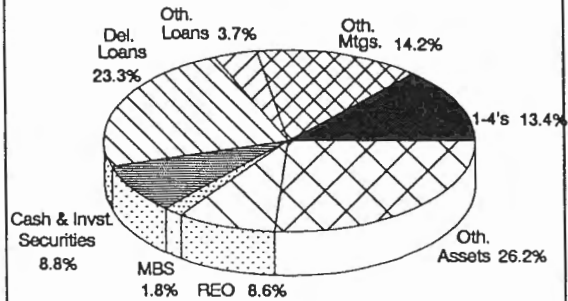
**CONSERVATORSHIP, RECEIVERSHIP ASSETS
UNDER RTC MANAGEMENT
As of September 30, 1994**

**CONSERVATORSHIPS
As of September 30, 1994**



(Percentage Of Gross Assets)

**RECEIVERSHIPS
As of September 30, 1994**



(Percentage Of Gross Assets)

**CONSERVATORSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$1.0	26.6%
Mtg. Backed Sec.	0.2	5.7
Perf. Lns. - Total	1.8	49.1
1-4 Family Mtgs.	1.0	27.9
Cstrn. & Land	0.0	0.4
Other Mtgs.	0.2	6.6
Other Loans	0.5	14.3
Del. Lns. - Total	0.1	3.9
1-4 Family Mtgs.	0.0	1.3
Cstrn. & Land	0.0	0.0
Other Mtgs.	0.1	2.3
Other Loans	0.0	0.2
Real Estate Owned	0.0	0.6
Subsidiaries	0.1	4.1
Other Assets	0.4	10.0
Gross Assets	\$3.6	100.0 %

Data based on preliminary 9/30/94 information
Number of institutions: 2

**RECEIVERSHIP INSTITUTIONS
(dollars in billions)**

	Amount	Percent Gross Assets
Cash & Invst. Sec.*	\$2.9	8.8%
Mtg. Backed Sec.	0.6	1.8
Perf. Lns. - Total	10.3	31.4
1-4 Family Mtgs.	4.4	13.4
Cstrn. & Land	0.5	1.6
Other Mtgs.	4.2	12.7
Other Loans	1.2	3.7
Del. Lns. - Total	7.7	23.3
1-4 Family Mtgs.	0.8	2.3
Cstrn. & Land	1.8	5.4
Other Mtgs.	3.8	11.5
Other Loans	1.4	4.2
Real Estate Owned	2.8	8.6
Subsidiaries	5.6	17.1
Other Assets	3.0	9.0
Gross Assets	\$32.9	100.0 %

Data based on preliminary 9/30/94 information
Number of institutions: 742

* Excludes \$12.2 billion in cash, investments (including restricted investments), and accounts receivable accumulated by receiverships.

ing loans, \$8 billion in delinquent loans, \$3 billion in real estate, \$6 billion in investments in subsidiaries, and \$3 billion in other assets.

The 2 conservatorships held \$4 billion in gross assets on September 30, 1994. Of the total, cash and securities (including a substantial amount of short term securities purchased with the proceeds of asset sales) represented 32%; performing 1-4 family mortgages, 28%; other performing loans, 21%; delinquent loans, 4%; real estate, 1%; investments in subsidiaries, 4%; and other assets, 10%.

Assets in receiverships remaining from the 742 institutions closed by the RTC amounted to \$33 billion on September 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 32% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 24% of receivership assets. The \$33 billion excludes approximately \$12 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections.

ASSET REDUCTIONS

In September, the proceeds of asset sales and other principal collections were \$2.5 billion. This included \$0.2 billion in sales proceeds from conservatorships, \$0.4 billion in other conservatorship asset collections, \$0.8 billion in resolution sales, \$0.3 billion in receivership sales, and \$0.8 billion from other receivership principal collections. From inception through September, the RTC collected \$155 billion from securities, \$102 billion from 1-4 family mortgages, \$53 billion from other mortgages, \$30 billion from non-mortgage loans, \$16 billion from real estate, and \$21 billion from other assets.

In terms of book value, September sales and collections were \$3.7 billion. The average recovery rate on the collection of these assets was 66%. During the month, the RTC recovered 99% from securities, 85% from 1-4 family mortgages, 51% from other mortgages, 59% from non-mortgage loans, 43% from real estate, and 29% from other assets.

From the inception of the RTC through September, book value asset reductions were \$427 billion, and the RTC recovered 88% on these collections. From inception, the RTC has recovered 98% from securities, 97% from 1-4 family mortgages, 77% from other mortgages, 90% from non-mortgage loans, 56% from real estate, and 65% from other assets.

The RTC also collected \$0.3 billion in receivership income in September. From its inception to September 30, 1994, the RTC has collected \$19.0 billion in receivership income.

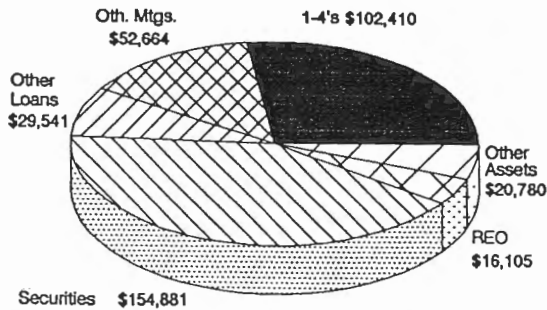
QUARTERLY ASSET ACTIVITY:

A look at RTC conservatorship asset activity shows a steady decline in the inventory of RTC conservatorship assets in each quarter from the third quarter of 1993 to the third quarter of 1994. Assets held by RTC conservatorships have decreased 90% from \$34.8 billion at the beginning of the third quarter of 1993 to \$3.6 billion on September 30, 1994. The reduction represents the continuing sales effort by the RTC, the resumption of RTC resolutions, and the fact that relatively few assets, \$0.1 billion, entered the RTC conservatorship program during the last two quarters of 1993 and the first three quarters of 1994.

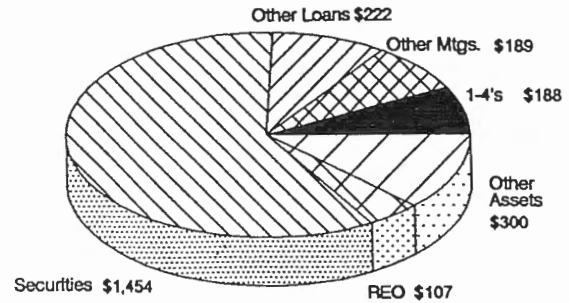
Payments and maturities of conservatorship assets decreased from \$4.5 billion during the third quarter of 1993 to \$1.8 billion in the third quarter of 1994, a 60% decline. Proceeds from the sales of conservatorship

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

INCEPTION 1989 THROUGH SEPTEMBER 1994
(\$ in millions)



SEPTEMBER 1994
(\$ in millions)



Inception through September 1994

	Conservatorships		Resolution	Receiverships		Total
	Sales	Collections	Sales (Net) *	Sales	Collections	
Securities	\$61,281	\$51,712	\$25,385	\$9,412	\$7,092	\$154,881
1-4 Family Mortgages	28,555	17,867	15,621	30,753	9,615	102,410
Other Mortgages	7,634	11,946	5,697	17,789	9,599	52,664
Other Loans	5,401	11,195	3,568	4,984	4,392	29,541
REO	7,432	0	142	8,530	0	16,105
Other Assets	2,418	3,356	483	3,908	10,616	20,780
TOTALS	\$112,721	\$96,076	\$50,896	\$75,376	\$41,313	\$376,381

September 1994

	Conservatorships		Resolution	Receiverships		Total
	Sales	Collections	Sales	Sales	Collections	
Securities	\$10	\$264	\$829	\$7	\$343	\$1,454
1-4 Family Mortgages	79	23	0	12	74	188
Other Mortgages	24	25	0	39	101	189
Other Loans	39	92	4	62	25	222
REO	7	0	0	100	0	107
Other Assets	0	11	0	41	247	300
TOTALS	\$160	\$416	\$834	\$261	\$790	\$2,460

1994 Year to Date

	Conservatorships		Resolution	Receiverships		Total
	Sales	Collections	Sales	Sales	Collections	
Securities	\$534	\$3,999	\$2,400	\$796	\$681	\$8,411
1-4 Family Mortgages	284	581	168	441	599	2,073
Other Mortgages	242	326	252	1,163	1,203	3,187
Other Loans	334	930	217	224	308	2,013
REO	274	0	1	899	0	1,174
Other Assets	90	334	14	151	1,692	2,281
TOTALS	\$1,759	\$6,171	\$3,051	\$3,674	\$4,483	\$19,139

*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)

	3rd Quarter 1994	2nd Quarter 1994	1st Quarter 1994	4th Quarter 1993	3rd Quarter 1993
CONSERVATORSHIP ACTIVITY					
Conservatorship Assets at Beginning of Period.....	\$12.6	\$20.8	\$23.2	\$30.2	\$34.8
ADD:					
New Conservatorship Assets.....	0.0	0.0	0.0	0.0	0.1
LESS:					
Conservatorship Payments & Maturities.....	1.8	2.2	2.2	2.7	4.5
Conservatorship Sales Proceeds.....	0.5	0.7	0.5	1.1	3.4
Loss on Sales.....	0.1	0.0	0.1	0.2	0.6
Other Changes (add).....	(1.3)	(0.6)	(1.1)	(1.8)	(6.0)
Assets of Resolved Conservatorships.....	7.8	5.9	0.6	4.8	2.2
Conservatorship Assets at End of Period.....	3.6	12.6	20.8	23.2	30.2
RESOLUTION & RECEIVERSHIP ACTIVITY					
Receivership Assets at Beginning of Period.....	33.0	33.3	40.3	43.3	47.1
ADD:					
Assets of Resolved Conservatorships.....	7.8	5.9	0.6	4.8	2.2
Accelerated Resolution Program Assets.....	0.0	0.1	0.0	0.0	0.0
LESS:					
Resolution Sales (Gross of Putbacks).....	1.6	1.3	0.2	1.5	0.8
Receivership Payments & Maturities.....	1.8	1.4	1.3	1.4	1.7
Receivership Sales Proceeds.....	1.2	0.9	1.6	1.5	1.2
Loss on Sales.....	2.7	3.3	4.5	3.6	2.9
Other Changes (add).....	0.5	(0.6)	0.0	(0.1)	(0.6)
Receivership Assets at End of Period.....	32.9	33.0	33.3	40.3	43.3
Total Assets at End of Period.....	\$36.5	\$45.5	\$54.2	\$63.5	\$73.5
Recovery Rate on Asset Sales and Collections.....	71%	66%	55%	68%	77%

assets have also declined, from a high of \$3.4 billion in the third quarter of 1993 to a low of \$0.5 billion in the third quarter of 1994. The recovery rate on the disposition of conservatorship assets has varied from a low of 82% in the first quarter of 1994 to a high of 94% in the second quarter of 1994.

Assets held by the RTC in receiverships declined from \$47.1 billion at the beginning of the third quarter of 1993 to \$32.9 billion at the end of the third quarter of 1994, a 30% decline. In 1994, receivership assets decreased less than one percent from \$33.3 billion at the end of the first quarter of 1994 to \$32.9 billion at the end of the third quarter of 1994, due to the addition of \$13.7 billion in assets of resolved conservatorships which offset receivership sales, payments, and maturities.

Sales to acquirers of thrifts began to increase with the resumption of RTC resolutions in the latter half of 1993. Resolution sales measured \$2.3 billion from the six institutions resolved in the last two quarters of 1993. While the 62 institutions resolved in the first three quarters of 1994 accounted for \$3.1 billion of the resolution sales.

Receivership payments and maturities registered \$1.8 billion in the third quarter of 1994, a 38% increase from the first quarter of 1994. However, receivership sales dipped in the second quarter of 1994 to \$0.9 billion from a high of \$1.6 billion in the first quarter of 1994. Losses on the disposition of receivership assets have dropped from \$4.5 billion in the first quarter of 1994 to \$2.7 billion in the third 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 September 30, 1994, the RTC controlled \$36.5 billion in assets,

whereas it held \$73.5 billion on September 30, 1993, a decline of 50%. In disposing of assets, the recovery on asset book value was 71% in the third quarter of 1994, an increase from the 66% experienced in the second quarter of 1994. The recovery rate was 55% in the first quarter of 1994.

MAJOR ASSET SALES:

- * The Greenbriar Apartment complex in Tempe, Arizona, was sold to Aspen Square Management, West Springfield, Massachusetts, for \$8.4 million, 90 percent of its book value. The property was an asset retained by the RTC following the resolution of American Savings of Colorado, a Federal Savings and Loan Association, Colorado Springs, Colorado, on May 18, 1990.
- * The Lost Valley Resort Ranch, a 586-acre dude ranch and resort located in south central Texas near Bandera, was sold to Charles Benton Wardlaw, Chris B. Christians, and Gregory M. Ruhnke of San Antonio, Texas, for approximately \$1 million, 64 percent of its original book value. The property was an asset retained by the RTC following the resolution of Southeastern Savings Association, Dayton, Texas, on October 26, 1990.

THRIFT CLOSINGS

The RTC closed six institutions in September and none in October. As of the end of October, RTC resolutions had protected 24.8 million deposit accounts from financial loss. These accounts had an average account balance of \$9,000.

The total number of thrift closings was 742 from the establishment of the RTC in August 1989 through September 30, 1994. These thrifts held \$239 billion in assets at the time of closure. Of the total, \$51 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 742 closed thrifts totaled \$87.8 billion. The \$87.8 billion represented 32% of their total liabilities at

the time of resolution. If the insured deposits of all 742 institutions had been paid out to depositors, the estimated resolution cost would have been \$92.4 billion. The \$4.6 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. These savings were equal to 3% of core deposits, represented by deposits with balances below \$80,000.

Some of the characteristics of the 742 resolutions were as follows:

Transaction Type Of the 742 cases, 492 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 92 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: 3.11% of core deposits, compared to 0.67% for IDTs. Although only 66% of RTC resolutions were P&As, these transactions accounted for 82% of the deposits that have been made whole by the RTC from its inception through September 1994. In the third quarter of 1994, all 16 institutions were resolved using P&As. The RTC received a 10.86% premium over deposit payoff cost for these 16 institutions.

The P&A transactions included 36 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed in the conservatorship program.

Type of Acquirer Banks acquired 412 of the resolved institutions, while thrifts acquired 238 from inception through September 30. In the third quarter of 1994, twelve of the sixteen resolved institutions were acquired by thrifts.

Number of Bids 43% of the institutions attracted two or fewer bids; 21% attracted three or four bids; and 37% attracted five or more bids. Fifteen of the sixteen institutions resolved during the third quarter of 1994 attracted more than five bids.

Thrift Size Whereas 77% of the resolved institutions had assets of less than \$250 million, there have been 55 resolutions of thrifts with more than \$1 billion in assets. These 55 thrifts accounted for 58% of the assets held by resolved thrifts. During the third quarter of 1994, ten of the sixteen institutions resolved had assets of less than \$250 million.

Location Texas represents the state with the most 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. Five of the institutions resolved in the third quarter of 1994 were located in Florida.

Assets Sold to Acquirers In 57% of the cases, less than 25% of the assets were sold to acquirers. However, in 57 cases, 75% or more of the assets were passed to acquirers. In 56% of the cases resolved during the third quarter of 1994, less than 25% of the assets were sold to acquirers.

Savings Over Insured Deposit Payout Costs Estimated savings over insured deposit payout costs were less than 1% of core deposits in 49% of the resolutions; however, these resolutions represented only 39% of total assets. Fourteen of the sixteen institutions resolved during the third quarter of 1994 had savings over insured deposit payout costs of more than 5%.

**Resolution Trust Corporation
Characteristics of 742 Resolutions
Inception through September 30, 1994
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	412	\$134.2	\$1 Billion or more	55	\$138.2
Thrift	238	96.6	\$500 to 999 Million	49	34.4
TOTAL--Acquirers	650	230.7	\$250 to 499 Million	68	23.5
Payouts	92	7.8	Under \$250 Million	570	42.4
TOTAL	742	\$238.6	TOTAL	742	\$238.6

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	271	\$118.2
California	71	43.1	4 bids	60	25.2
Louisiana	52	6.2	3 bids	95	25.1
Illinois	49	7.5	2 bids	106	35.0
Florida	49	22.2	1 bid	141	28.7
New Jersey	33	10.8	No bids	69	6.3
Kansas	23	5.0	TOTAL	742	\$238.6
Other	328	100.3			
TOTAL	742	\$238.6			

Percentage of Assets Passed to Acquirers**	Number of Cases	Total Assets	Savings over Deposit Payout Costs as % of Core Deposits ***	Number of Cases	Total Assets
75% or more	57	\$5.3	5% or more	125	\$38.4
50 to 74.9%	99	17.2	3 to 4.9%	72	52.6
25 to 49.9%	160	65.6	1 to 2.9%	178	54.1
Under 25%	426	150.5	Under 1%	367	93.4
TOTAL	742	\$238.6	TOTAL	742	\$238.6

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	103	\$22.5
40 to 59.9%	161	33.4
20 to 39.9%	243	86.3
Under 20%	235	96.4
TOTAL	742	\$238.6

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

** Assets passed are net of putbacks.

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

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

**Resolution Trust Corporation
Characteristics of 16 Resolutions
Third Quarter 1994
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	4	\$2.6	\$1 Billion or more	4	\$6.3
Thrift	12	5.2	\$500 to 999 Million	1	0.8
TOTAL--Acquirers	16	7.8	\$250 to 499 Million	1	0.3
Payouts	0	0.0	Under \$250 Million	10	0.4
TOTAL	16	\$7.8	TOTAL	16	\$7.8

Location of Resolved Institution	Number of Cases	Total Assets	Number of Bids Received	Number of Cases	Total Assets
Florida	5	\$0.3	5 or more bids	15	\$7.7
California	2	2.6	4 bids	0	0.0
Louisiana	2	1.5	3 bids	0	0.0
Other	7	3.3	2 bids	0	0.0
TOTAL	16	\$7.8	1 bid	1	0.1
			No bids	0	0.0
			TOTAL	16	\$7.8

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	0	\$0.0	5% or more	14	\$7.6
50 to 74.9%	3	1.4	3 to 4.9%	1	0.1
25 to 49.9%	4	1.4	1 to 2.9%	0	0.0
Under 25%	9	5.0	Under 1%	1	0.1
TOTAL	16	\$7.8	TOTAL	16	\$7.8

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	3	\$1.5
40 to 59.9%	4	0.2
20 to 39.9%	4	1.1
Under 20%	5	5.0
TOTAL	16	\$7.8

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

** Assets passed are net of putbacks.

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

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

RECEIVERSHIP TERMINATIONS

Since the inception of the Receivership Termination Program in July 1992, 130 receiverships which had \$7.5 billion in total gross assets at the time of takeover have been terminated. The percentage of total dividends paid to proven claimants was 79% with \$4.3 billion of total dividends being paid on total proved claims of \$5.5 billion. The difference between the proven claims of the terminating receiverships and the actual total dividend paid represents the negative book value net worth at time of resolution for these institutions, minus any deposit premiums paid by acquirers, plus all post-conservatorship asset

losses, expenses, and adjustments. Virtually all claims (99.95%) were from the RTC.

The 130 terminating receiverships had resolution and receivership book value reductions of \$5.0 billion, and recovered \$4.6 billion in cash proceeds from resolution and receivership sales and collections to the general public. The corporation purchased \$335 million in assets from these institutions for \$184 million. After the corporate purchase, the corporation has received \$117 million in cash proceeds from sales and collections on assets with a book value of \$227 million.

Receivership Terminations Inception Through September 1994 (Dollars In Billions)	
Number of Receiverships Terminated or in Process of Termination (1).....	130
Book Value of Assets at Takeover.....	\$7.5
Book Value of Assets at Resolution.....	\$5.3
Book Value of Assets Sold and Collected at Resolution or in Receivership.....	\$5.0
Cash Proceeds from Assets Sold and Collected at Resolution or in Receivership.....	\$4.6
Total Book Value Purchased by Corporation.....	\$0.3
Estimated Cash Proceeds from Assets Purchased by Corporation.....	\$0.2
Total Dividends from Terminating Receiverships (2).....	\$4.3
Total Proven Claims on Terminating Receiverships.....	\$5.5
Pct. Dividends to Proven Claims.....	79%
<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 130 receiverships. Seven 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 \$535 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>	

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 September 30, 1994, the RTC obtained \$117 billion in funds from the following external sources: \$50 billion in FIRREA appropriations, \$41 billion in subsequent loss funds authorized by Acts of Congress, and \$27 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$109 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. The RTC Completion Act, enacted into law on December 17, 1993, authorized 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 the RTC is complying with specified management reforms. As of September 30, 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

SOURCES AND USES OF FUNDS
(\$ in billions)
Inception through September 30, 1994

SOURCES:	
Initial Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
Additional Appropriations	40.7
FFB Borrowings	<u>26.5</u>
Total External Sources	117.3
Recoveries from Receiverships	109.2
TOTAL SOURCES	<u>\$226.5</u>
USES:	
Resolutions and Receivership Funding	\$ 213.2
Conservatorship Advances Outstanding *	1.8
FFB Interest	8.7
Other Disbursements (Net)**	-0.8
TOTAL USES	<u>222.9</u>
NET CASH AVAILABLE	<u>\$ 3.6</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.

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 742 resolutions through September 30 required outlays of \$213.2 billion from the RTC. Outstanding advances to conservatorships existing at the end of September totaled \$1.8 billion. Interest on FFB borrowings was \$8.7 billion. This left \$3.6 billion in cash on hand on September 30.

NEWS NOTES:

RTC ESTABLISHES CONTRACT COMMITTEES TO DEAL WITH DISPUTES, APPEALS

The RTC has established Contract Dispute Resolution Committees in each field office and in Washington to resolve contract disputes between the RTC and its contractors. The committees have final decision making authority for cases involving less than \$100,000. Additionally, a Contract Appeals Committee has been established in Washington to decide appeals of contract dispute decisions between the RTC and its contractors involving \$100,000 or more.

The Contract Dispute Resolution Committees in the field offices are composed of senior representatives from the program offices and the Division of Legal Services, and the Director of the field Contracts Office. In Washington, the committee is composed of the Director of Contract Operations, the Senior Counsel (Contracts), and the director of the program office responsible for the contract in dispute.

The Contract Appeals Committee is composed of senior representatives of the Chief Financial Officer, the General Counsel, and the Vice President for Administration. Staff support for the committee is provided by the Office of Contract Appeals, a new office established in the Division of the Chief Financial Officer. John Tierney has been appointed Director of the Office of Contract Appeals.

Contractors that have contracting disputes pending with the RTC or that may be considering disputing decisions are encouraged to avail themselves of the new procedures.

In establishing the committees and the new office, John E. Ryan, Deputy and Acting Chief Executive Officer, said that "contract-related claims should be resolved by mutual agreement of the parties to the fullest extent possible, and that litigation should be used only when good faith resolution efforts have been exhausted."

The new committees were established to provide an effective, independent forum through which the parties can seek to resolve contract-related disputes before having to resort to litigation. Until now, contractors could obtain review of an RTC contracting officer's decision only by filing a lawsuit against the RTC.

RTC TO AUCTION \$400 MILLION IN LOANS IN KANSAS CITY, MISSOURI

Approximately \$400 million in performing and non-performing loans will be auctioned by the RTC in Kansas City, Missouri, on December 14 and 15.

The two-day auction, the sixth in a series of seven nationwide loan auctions conducted by the RTC, will feature more than 7,500 loans grouped into approximately 300 packages ranging in book value from \$100,000 to \$5 million. The loan packages will be grouped by product type and geographic location, and will consist of loans secured by one- to four-family residences, commercial real estate, multifamily properties, land, automobiles, mobile homes, time-share properties, and student loans.

Qualified buyers of all capital sizes are encouraged to participate. In accordance with the RTC's Small Investor Program, loan packages will be reduced in size and localized, giving prospective purchasers an opportunity to bid on assets in their geographic areas.

The auction will be held at the Kansas City Convention Center, Bartle Hall, North Meeting Rooms, 301 West 13th Street, Kansas City, Missouri, beginning at 11 a.m. on December 14 and 9 a.m. on December 15.

Prospective bidders may obtain bid packages and additional information by contacting the auctioneer, Hudson & Marshall, at 1-800-552-3180. Loan documents may be reviewed

by appointment at the RTC auction center at 2345 Grand Avenue, Kansas City, Missouri.

TEXAS BUSINESSMAN SENTENCED FOR MAKING FALSE STATEMENT TO THE RTC

A Texas businessman was sentenced on October 21 in U.S. District Court in McAllen, Texas, after pleading guilty on August 18 to one count of making a false statement to the RTC as receiver for Valley Federal Savings and Loan Association (Valley Federal), McAllen, Texas. Valley Federal failed in October 1989 and was resolved by the RTC in June 1990.

Larry Beakey of McAllen, Texas, executed a loan agreement with Valley Federal in October 1986. The loan was secured by lease payments due Beakey from Circle K Corporation (Circle K), a convenience store franchise. The loan agreement between Beakey and Valley Federal required that lease payments owed Beakey from Circle K be made directly from Circle K to Valley Federal on a monthly basis and applied toward Beakey's loan.

In March 1991, Beakey contacted Circle K with instructions to forward lease payments directly to him. In February 1992, Beakey told representatives of the RTC, as receiver for Valley Federal, that Circle K was in bankruptcy and had stopped making lease

payments. Between April 1991 and March 1992, Beakey received 12 lease payments from Circle K, but made no payments to the RTC toward his loan with Valley Federal. Following the RTC's discovery of Beakey's scheme in March 1992, the RTC instructed Circle K to make lease payments directly to it. Beakey was sentenced to 36 months probation and fined \$10,000. Beakey was also ordered to pay \$230,000 in restitution to the RTC.

The case was investigated by special agents of the RTC Office of Inspector General (OIG) and the Federal Bureau of Investigation. 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.

Commonly Dialed RTC Telephone Numbers

National Sales Center	(202) 416-4200
Real Estate Information Center and Orders for Asset Inventory	(800) 782-3006
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 California 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:

California 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 September 30, 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 %	12.45 %	\$31.0	2,985
PA	492	200.5	4.4	3.11	23.53	179.4	21,212
PO	92	7.8	0.0	0.00	0.00	8.4	619
Total	742	\$238.6	\$4.6	2.70 %	21.33 %	\$218.7	24,815

RTC Resolutions
Third Quarter 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	16	7,789.7	542.3	10.86	20.63	5,875.9	742
PO	0	0.0	0.0	0.00	0.00	31.7	0
Total	16	\$7,789.7	\$542.3	10.86 %	20.63 %	\$5,875.9	742

*** 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
September 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 Net of Putbacks	Percentage of Assets Passed
Western FSB, Marina Del Ray, CA	PA	09/09/94	Branch Sale to Various Institutions	\$2,465.7	\$287.3	\$69.8	2.83%
Dryades S&LA, New Orleans, LA	PA	09/09/94	Dryades SB, FSB, New Orleans, LA	\$54.4	\$15.4	\$27.9	51.29%
Second National FSA, Salisbury, MD	PA	09/16/94	Branch Sale to Various Institutions	\$769.1	\$214.3	\$2.8	0.36%
Transohio FSB, Cleveland, OH	PA	09/16/94	Branch Sale to Various Institutions	\$1,097.3	\$99.2	\$708.8	66.41%
Cherokee Valley FSA, Cleveland, TN	PA	09/23/94	Branch Sale to Various Institutions	\$71.0	\$0.5	\$24.7	34.83%
Home FSB, Norfolk, VA	PA	09/30/94	Home SB, FSB, Norfolk, VA	\$68.1	\$46.7	\$0.0	0.00%
Total				\$4,495.6	\$643.5	\$834.0	18.55%
Grand Total—Inception through September 30, 1994				\$238,569.4	\$87,841.8	\$50,895.6	21.33%

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 9/30/94	September 1994	1994 To Date
<u>Cash & Securities</u>			
Book Value Reduction	\$158,257	\$1,467	\$8,536
Discount from Book Value	3,376	13	126
Sales & Principal Collections	154,881	1,454	8,411
<u>1-4 Family Mortgages</u>			
Book Value Reduction	106,108	221	2,310
Discount from Book Value	3,697	33	237
Sales & Principal Collections	102,410	188	2,073
<u>Other Mortgages</u>			
Book Value Reduction	68,571	370	6,245
Discount from Book Value	15,907	181	3,058
Sales & Principal Collections	52,664	189	3,187
<u>Other Loans</u>			
Book Value Reduction	32,911	376	2,670
Discount from Book Value	3,370	154	657
Sales & Principal Collections	29,541	222	2,013
<u>Real Estate</u>			
Book Value Reduction	28,989	246	3,043
Discount from Book Value	12,884	140	1,869
Sales & Principal Collections	16,105	107	1,174
<u>Other Assets</u>			
Book Value Reduction	31,835	1,028	7,151
Discount from Book Value	11,055	729	4,870
Sales & Principal Collections	20,780	300	2,281
<u>Total Assets</u>			
Book Value Reduction	426,670	3,709	29,956
Discount from Book Value	50,289	1,249	10,817
Sales & Principal Collections	\$376,381	\$2,460	\$19,139

Notes: Data for inception through September 30, 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 September 1994
(Dollars in Billions)**

742 Closed Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$109.2	\$113.1	\$80.9	\$29.8	\$30.8	\$11.0	20.5	\$395.2
<u>Reductions During Conservatorship</u>								
Sales Proceeds.....	60.6	27.6	7.5	4.9	7.2	0.3	1.9	109.9
Payment & Maturities.....	48.1	17.1	11.9	9.0	0.0	1.2	1.5	88.7
Other Changes (Net) /1.....	(45.8)	1.7	4.7	(3.3)	3.5	(1.9)	(0.9)	(42.0)
Assets at Resolution.....	46.3	66.7	56.9	19.2	20.1	11.4	18.0	238.6
<u>Resolution & Receivership Reductions</u>								
Assets Passed (Net of Putbacks).....	25.4	15.6	5.7	3.6	0.1	0.4	0.1	50.9
Assets Retained (After Putbacks).....	20.9	51.1	51.2	15.6	19.9	11.0	17.9	187.7
Principal Collections.....	16.5	40.4	27.4	9.4	8.5	6.2	8.3	116.7
Other Changes (Net) /2.....	1.0	5.5	13.6	3.6	8.6	(0.8)	6.6	38.1
Receivership Assets as of September 30, 1994.....	\$3.5	\$5.2	\$10.2	\$2.6	\$2.8	\$5.6	\$3.0	\$32.9

2 Conservatorship Institutions

	Cash & Securities	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$2.0	\$2.1	\$0.6	\$0.7	\$0.3	\$0.3	\$0.9	\$6.7
<u>Reductions During Conservatorship</u>								
Sales Proceeds.....	0.7	1.0	0.2	0.5	0.2	0.1	0.1	2.8
Payment & Maturities.....	3.6	0.7	0.1	2.2	0.0	0.0	0.6	7.3
Other Changes (Net) /1.....	(3.6)	(0.7)	0.0	(2.6)	0.1	0.0	(0.3)	(7.1)
Conservatorship Assets as of September 30, 1994.....	\$1.2	\$1.1	\$0.3	\$0.5	\$0.0	\$0.1	\$0.4	\$3.6

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

All 744 Institutions

	Cash & Securities /3	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /4	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$111.1	\$115.2	\$81.5	\$30.4	\$31.0	\$11.3	\$21.4	\$401.9
<u>Reductions During Conservatorship</u>								
Sales Proceeds.....	61.3	28.6	7.6	5.4	7.4	0.3	2.1	112.7
Payment & Maturities.....	51.7	17.9	11.9	11.2	0.0	1.2	2.1	96.1
Other Changes (Net) /1.....	(49.4)	1.0	4.7	(5.9)	3.5	(1.9)	(1.2)	(49.1)
Assets at Resolution.....	46.3	66.7	56.9	19.2	20.1	11.4	18.0	238.6
<u>Resolution & Receivership Reductions</u>								
Assets Passed (Net of Putbacks).....	25.4	15.6	5.7	3.6	0.1	0.4	0.1	50.9
Assets Retained (After Putbacks).....	20.9	51.1	51.2	15.6	19.9	11.0	17.9	187.7
Principal Collections.....	16.5	40.4	27.4	9.4	8.5	6.2	8.3	116.7
Other Changes (Net) /2.....	1.0	5.5	13.6	3.6	8.6	(0.8)	6.6	38.1
Conservatorship and Receivership Assets as of September 30, 1994.....	\$4.6	\$6.2	\$10.6	\$3.1	\$2.8	\$5.8	\$3.3	\$36.5

/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. For receiverships, accounting adjustments made at resolution are also included.

/2 Includes asset balance adjustments and principal losses.

/3 Excludes accumulation of approximately \$12.2 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.