

RTC REVIEW

RESOLUTION TRUST CORPORATION

VOL. VI NO. 2

February 1995

John E. Ryan, Deputy and Acting Chief Executive Officer

- * **744 Thrifts Closed by RTC from its Inception in August 1989 Through January 1995. 24.8 Million Deposit Accounts have been Protected.**
- * **Assets under RTC control drop to \$25 billion at year-end 1994. A 61% decline over the course of the year.**
- * **RTC Sold or Collected Assets with a Book Value of \$6.4 Billion in December, \$439 Billion, Net of Assets Put Back to RTC, Since Inception.**
- * **Recoveries on Asset Reductions Totaled \$4.1 Billion (63% of Book Value) in December, \$385 Billion (88% of Book Value) Since Inception.**

RTC CASELOAD

As of January 31, 1995, the RTC had one institution remaining in its conservatorship program. The institution has been marketed for resolution and it is expected to be resolved shortly. No institutions were placed in conservatorship in December or January.

ASSET INVENTORY

In December, the amount of assets under RTC management, including both conservatorships and receiverships, decreased from \$31 billion to \$25 billion. The decrease in assets reflects the ongoing sales effort by the RTC to reduce its asset inventory. The \$25 billion of assets under RTC management on

December 31 consisted of: \$3 billion in cash and securities, \$4 billion in performing 1-4 family mortgages, \$4 billion in other performing loans, \$5 billion in delinquent loans, \$2

RTC December Caseload (\$ in billions)

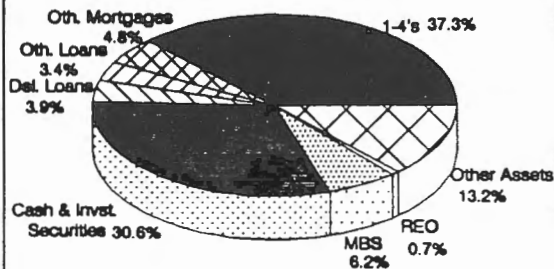
	Number	Assets	Liabilities	Deposits
End of November	1	\$2.8	\$2.0	\$1.2
New Conservatorships	0	0.0	0.0	0.0
Resolved Case(ARP)	1	0.0	0.0	0.0
End of December	1	\$2.1 *	\$1.5	\$1.2

Assets and liabilities based on preliminary 12/31/94 and 11/30/94 financial reports.

*Includes \$.7 billion of assets of one institution resolved on 11/18/94.

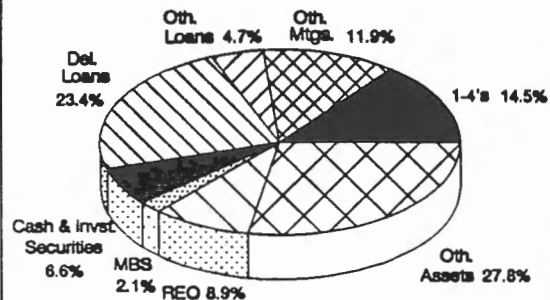
CONSERVATORSHIP, RECEIVERSHIP ASSETS UNDER RTC MANAGEMENT As of December 31, 1994

CONSERVATORSHIPS As of December 31, 1994



(Percentage Of Gross Assets)

RECEIVERSHIPS As of December 31, 1994



(Percentage Of Gross Assets)

CONSERVATORSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.	\$0.8	30.8%
Mtg. Backed Sec.	0.1	6.2
Perf. Lns. - Total	0.9	45.4
1-4 Family Mtgs.	0.8	37.3
Cstrn. & Land	0.0	0.3
Other Mtgs.	0.1	4.4
Other Loans	0.1	3.4
Del. Lns. - Total	0.1	3.9
1-4 Family Mtgs.	0.0	1.5
Cstrn. & Land	0.0	0.0
Other Mtgs.	0.0	1.9
Other Loans	0.0	0.5
Real Estate Owned	0.0	0.7
Subsidiaries	0.0	1.7
Other Assets	0.2	11.4
Gross Assets	\$2.1*	100.0 %

Data based on preliminary 12/31/94 information

Number of institutions to be resolved: 1

* Includes \$.7 billion of assets of one institution resolved on 11/18/94.

RECEIVERSHIP INSTITUTIONS (dollars in billions)

	Amount	Percent Gross Assets
Cash & Invst. Sec.*	\$1.5	6.6%
Mtg. Backed Sec.	0.5	2.1
Perf. Lns. - Total	7.1	31.1
1-4 Family Mtgs.	3.3	14.5
Cstrn. & Land	0.3	1.5
Other Mtgs.	2.4	10.4
Other Loans	1.1	4.7
Del. Lns. - Total	5.4	23.4
1-4 Family Mtgs.	0.6	2.5
Cstrn. & Land	1.3	5.5
Other Mtgs.	2.5	11.0
Other Loans	1.0	4.3
Real Estate Owned	2.0	8.9
Subsidiaries	4.3	18.8
Other Assets	2.1	9.0
Gross Assets	\$22.9	100.0%

Data based on preliminary 12/31/94 information

Number of resolved institutions: 744

* Excludes \$14.8 billion in cash, investments (including restricted investments), and accounts receivable accumulated by receiverships.

billion in real estate, \$4 billion in investments in subsidiaries, and \$2 billion in other assets.

The conservatorship program held \$2 billion in gross assets on December 31, 1994. 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, 37%; other performing loans, 8%; delinquent loans, 4%; real estate, 1%; investments in subsidiaries, 2%; and other assets, 11%.

Assets in receiverships remaining from the 744 institutions closed by the RTC amounted to \$23 billion on December 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 32% of receivership assets. Cash, securities, and performing 1-4 family mortgages represented only 23% of receivership assets. The \$23 billion excludes approximately \$15 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections.

ASSET REDUCTIONS

In December, the proceeds of asset sales and other principal collections were \$4.1 billion. This included \$0.2 billion in sales proceeds from conservatorships, \$0.7 billion in other conservatorship asset collections, \$2.5 billion in receivership sales, and \$0.7 billion from other receivership principal collections. From inception through December, the RTC collected \$156 billion from securities, \$104 billion from 1-4 family mortgages, \$55 billion from other mortgages, \$30 billion from non-mortgage loans, \$16 billion from real estate, and \$22 billion from other assets.

In terms of book value, December sales and collections were \$6.4 billion. The average

recovery rate on the collection of these assets was 63%. During the month, the RTC recovered 93% from securities, 88% from 1-4 family mortgages, 66% from other mortgages, 37% from non-mortgage loans, 51% from real estate, and 44% from other assets.

From the inception of the RTC through December, book value asset reductions were \$439 billion, and the RTC recovered 88% on these collections. From inception, the RTC has recovered 98% from securities, 96% from 1-4 family mortgages, 76% from other mortgages, 89% from non-mortgage loans, 55% from real estate, and 63% from other assets.

The RTC also collected \$0.2 billion in receivership income in December. From its inception to December 31, 1994, the RTC has collected \$19.5 billion in receivership income.

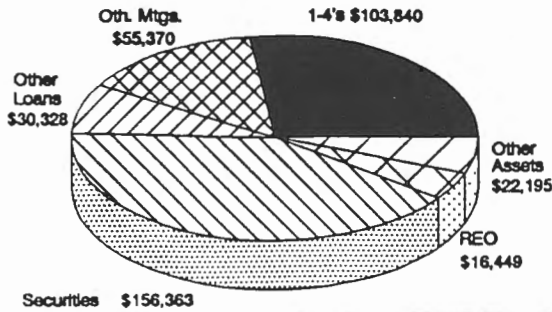
QUARTERLY ASSET ACTIVITY

A look at RTC conservatorship asset activity shows a steady decline in the inventory of RTC conservatorship assets throughout 1994. Assets held by RTC conservatorships declined from a high of \$23.2 billion at the beginning of the year to a low of \$2.1 billion on December 31, 1994, a 91% decline. The reduction represents the continuing sales effort by the RTC, the resumption of RTC resolutions, and the fact that no institutions were placed in conservatorship during the year.

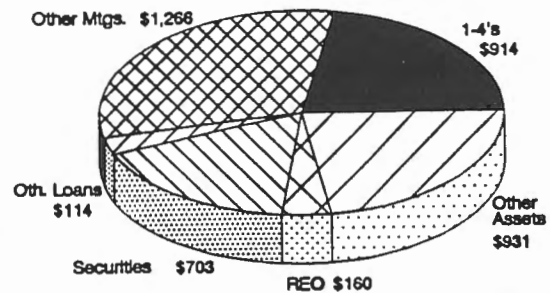
Payments and maturities of conservatorship assets averaged \$1.8 billion per quarter for a total of \$7.2 billion over the year. Additionally, the RTC collected \$2.8 billion through conservatorship assets sales during 1994 with the largest portion, \$1.0 billion, occurring in the fourth quarter. Losses from conservatorship sales remained relatively constant over the four quarters, averaging \$0.1 billion per quarter and totalling \$0.4 billion for the year.

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

INCEPTION 1989 THROUGH DECEMBER 1994
(\$ in millions)



DECEMBER 1994
(\$ in millions)



Inception through December 1994

	Conservatorships		Resolution	Receiverships		Total
	Sales	Collections	Sales (Net) *	Sales	Collections	
Securities	\$61,481	\$52,145	\$25,476	\$9,929	\$7,331	\$156,363
1-4 Family Mortgages	28,767	17,898	15,589	31,797	9,790	103,840
Other Mortgages	7,740	11,950	5,714	19,849	10,117	55,370
Other Loans	5,832	11,289	3,603	5,089	4,515	30,328
REO	7,440	0	141	8,868	0	16,449
Other Assets	2,511	3,858	539	4,055	11,233	22,195
TOTALS	\$113,770	\$97,140	\$51,061	\$79,587	\$42,986	\$384,545

December 1994

	Conservatorships		Resolution	Receiverships		Total
	Sales	Collections	Sales	Sales	Collections	
Securities	\$6	\$181	\$0	\$443	\$74	\$703
1-4 Family Mortgages	149	12	0	684	69	914
Other Mortgages	22	1	0	1,055	188	1,266
Other Loans	0	5	0	77	32	114
REO	1	0	0	158	0	160
Other Assets	25	453	0	95	358	931
TOTALS	\$204	\$650	\$0	\$2,513	\$721	\$4,088

1994

	Conservatorships		Resolution	Receiverships		Total
	Sales	Collections	Sales	Sales	Collections	
Securities	\$735	\$4,432	\$2,410	\$1,314	\$921	\$9,813
1-4 Family Mortgages	496	613	168	1,484	774	3,535
Other Mortgages	348	330	252	3,224	1,721	5,875
Other Loans	765	1,024	220	328	431	2,768
REO	282	0	1	1,237	0	1,519
Other Assets	184	836	14	297	2,309	3,640
TOTALS	\$2,809	\$7,235	\$3,065	\$7,884	\$6,157	\$27,150

*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
1994
(Dollars In Billions)

	1st Quarter 1994	2nd Quarter 1994	3rd Quarter 1994	4th Quarter 1994	Calendar Year 1994
CONSERVATORSHIP ACTIVITY					
Conservatorship Assets at Beginning of Period.....	\$23.2	\$20.8	\$12.6	\$3.6	\$23.2
ADD:					
New Conservatorship Assets.....	0.0	0.0	0.0	0.0	0.0
LESS:					
Conservatorship Payments & Maturities.....	2.2	2.2	1.8	1.1	7.2
Conservatorship Sales Proceeds.....	0.5	0.7	0.5	1.0	2.8
Loss on Sales.....	0.1	0.0	0.1	0.2	0.4
Other Changes (add).....	(1.1)	(0.6)	(1.3)	(0.8)	(3.7)
Assets of Resolved Conservatorships.....	0.6	5.9	7.8	0.0	14.4
Conservatorship Assets at End of Period /1.....	20.8	12.6	3.6	2.1	2.1
RESOLUTION & RECEIVERSHIP ACTIVITY					
Receivership Assets at Beginning of Period.....	40.3	33.3	33.0	32.9	40.3
ADD:					
Assets of Resolved Conservatorships.....	0.6	5.9	7.8	0.0	14.4
Accelerated Resolution Program Assets.....	0.0	0.1	0.0	0.0	0.1
LESS:					
Resolution Sales (Gross of Putbacks).....	0.2	1.3	1.6	0.0	3.1
Receivership Payments & Maturities.....	1.3	1.4	1.8	1.7	6.2
Receivership Sales Proceeds.....	1.6	0.9	1.2	1.7	7.9
Principal Losses.....	4.5	3.3	2.7	3.8	14.4
Other Changes (add).....	0.0	(0.6)	0.5	0.3	0.3
Receivership Assets at End of Period.....	33.3	33.0	32.9	22.9	22.9
Total Assets at End of Period.....	\$54.2	\$45.5	\$36.5	\$25.0	\$25.0
Recovery Rate on Asset Sales and Collections.....	55%	66%	71%	66%	65%

/1 The year-end conservatorship balance includes \$713.8 million of assets of one institution resolved on 11/18/94.

Assets held by the RTC in receiverships declined from \$40.3 billion at the beginning of the year to \$22.9 billion at the end of the year, a 43% decline. An additional \$14.4 billion in assets of resolved conservatorships entered receivership during the year, which offset receivership sales, payments, and maturities. Sales to acquirers of the thrifts measured \$3.1 billion from the 64 institutions resolved during the year. Resolution sales were \$1.3 billion in the second quarter and \$1.6 billion in the third quarter.

Receivership payments and maturities averaged \$1.6 billion per quarter in 1994 for a total of \$6.2 billion. Proceeds of asset sales amounted to \$7.9 billion in 1994, with most of the sales occurring during the fourth quarter. Receivership sales jumped in the fourth quarter to \$4.2 billion compared to only \$0.9 billion in the second quarter. Over the entire year, RTC realized \$14.4 billion of losses in the sale of receivership assets, ranging from a loss of \$2.7 billion in the third quarter to a high of \$4.5 billion in the first quarter. Most of the losses in the first quarter were attributable to the disposition of Judgements and Deficiencies, which typically have a negligible recovery rate.

Overall, assets under RTC control dropped significantly in 1994 from \$63.5 billion to \$25.0 billion, a 61% decline. In disposing of assets, the RTC recovered an average of 65% from asset book value reductions. In the third quarter, the RTC recovered 71% of the total book value reduction, while recoveries remained at 66% for the second and fourth quarters. The RTC expects the total percentage of proceeds recovered to the asset book value reduction to remain fairly low, as lower quality assets are liquidated.

MAJOR ASSET SALES:

- * A 686-tract of vacant land in San Antonio, Texas, of which the RTC was partial owner, was sold to Mainland Properties, Ltd., San Antonio, for \$4 million, 112 percent of its original book value.

The RTC's share of the recovery was \$2.9 million. The property, which is located near the intersection of Culebra and Tezel Roads in San Antonio, was an asset retained by the RTC following the resolutions of San Antonio Savings Association, F.A., San Antonio, Texas, on March 9, 1990; University Federal Savings Association, Houston, Texas, on October 13, 1989; and Bright Banc Savings Association, Dallas, Texas, on February 2, 1990.

- * The Cinnamon Tree Apartments, Plano, Texas, was sold through the RTC's Affordable Housing Disposition Program to the Fox River Plano Apartments, L.L.C., Phoenix, Arizona, for \$3.3 million, 115 percent of its book value. The property, located at 1386 Rigsbee Drive, was an asset retained by the RTC following the resolution of Commerce Federal Savings Association, San Antonio, Texas, on July 12, 1991.

THRIFT CLOSINGS

The RTC closed one institution in December and none in January. As of the end of January, 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 744 from the establishment of the RTC in August 1989 through December 31, 1994. These thrifts held \$240 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 744 closed thrifts totaled \$88.2 billion. The \$88.2 billion represented 32% of their total liabilities at the time of resolution. If the insured deposits of all 744 institutions had been paid out to depositors, the estimated resolution cost would have been \$92.8 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. More recently, savings have increased and were 9% of core deposits in 1994.

Some of the characteristics of the 744 resolutions were as follows:

Transaction Type Of the 744 cases, 494 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. The P&A transactions included 37 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed in the conservatorship program.

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 December 1994. During 1994, 61 of the 64 institutions have been resolved using P&A's. The RTC received a 10.86% premium over deposit payoff cost for these 61 institutions.

Type of Acquirer Banks acquired 424 of the resolved institutions, while thrifts acquired 228 from inception through December 31. In 1994, 35 of the 64 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. During 1994, 80% of the resolved institutions attracted five or more bids.

Thrift Size Whereas 77% of the resolved institutions had assets of less than \$250 million, there have been 56 resolutions of thrifts with more than \$1 billion in assets. These 56 thrifts accounted for 58% of the assets held by resolved thrifts. During 1994, 51 of the 64 institutions resolved had assets of less than \$250 million.

Location Texas has been 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. Twenty of the institutions resolved in 1994 were located in California and Florida, while resolved institutions from California held the most assets.

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 61% of the cases resolved during 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. In comparison, 67% of the institutions resolved in 1994 have had savings over insured deposit payout costs of more than 5%.

Estimated Resolution Costs Estimated resolution costs were under 40% of liabilities in 480 cases, but over 60% for 103 cases. For 1994, resolution costs were under 40% of liabilities in 42 of the 64 resolved cases, and over 60% for only six cases.

**Resolution Trust Corporation
Characteristics of 744 Resolutions
Inception through December 31, 1994
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	424	\$139.0	\$1 Billion or more	56	\$139.4
Thrift	228	93.0	\$500 to 999 Million	49	34.4
TOTAL--Acquirers	652	232.0	\$250 to 499 Million	68	23.5
Payouts	92	7.8	Under \$250 Million	571	42.5
TOTAL	744	\$239.8	TOTAL	744	\$239.8

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	272	\$119.4
California	72	43.1	4 bids	60	25.2
Louisiana	52	6.2	3 bids	95	25.1
Illinois	49	7.5	2 bids	107	35.1
Florida	49	22.7	1 bid	141	28.7
New Jersey	33	10.8	No bids	69	6.3
Kansas	23	5.0	TOTAL	744	\$239.8
Other	329	100.9			
TOTAL	744	\$239.8			

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	57	\$5.3	5% or more	126	\$39.6
50 to 74.9%	100	17.2	3 to 4.9%	72	52.6
25 to 49.9%	160	65.7	1 to 2.9%	178	54.1
Under 25%	427	151.6	Under 1%	368	93.5
TOTAL	744	\$239.8	TOTAL	744	\$239.8

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%	244	87.4
Under 20%	236	96.5
TOTAL	744	\$239.8

* *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.*

**Resolution Trust Corporation
Characteristics of 64 Resolutions
1994
(Dollars in Billions)**

Type of Acquirer *	Number of Cases	Total Assets	Size of Resolved Institution (Assets)	Number of Cases	Total Assets
Bank	26	\$9.5	\$1 Billion or more	7	\$9.5
Thrift	35	6.0	\$500 to 999 Million	3	1.9
TOTAL--Acquirers	61	15.5	\$250 to 499 Million	3	0.8
Payouts	3	0.1	Under \$250 Million	51	3.3
TOTAL	64	\$15.6	TOTAL	64	\$15.6

Location of Resolved Institution	Number of Cases	Total Assets	Number of Bids Received	Number of Cases	Total Assets
Florida	10	\$0.6	5 or more bids	51	\$15.0
California	10	4.0	4 bids	2	0.1
New Jersey	6	1.1	3 bids	2	0.2
Virginia	6	0.4	2 bids	2	0.1
Louisiana	4	1.5	1 bid	4	0.2
Maryland	4	2	No bids	3	0.1
Other	28	7.9	TOTAL	64	\$15.6
TOTAL	64	\$15.6			

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	2	\$0.1	5% or more	43	\$13.4
50 to 74.9%	13	2.2	3 to 4.9%	5	1.5
25 to 49.9%	10	2.5	1 to 2.9%	8	0.3
Under 25%	39	10.8	Under 1%	8	0.4
TOTAL	64	\$15.6	TOTAL	64	\$15.6

Estimated Resolution Cost as a % of Liabilities	Number of Cases	Total Assets
60% or more	6	\$1.6
40 to 59.9%	16	1.9
20 to 39.9%	25	4.9
Under 20%	17	7.2
TOTAL	64	\$15.6

* *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.*

RECEIVERSHIP TERMINATIONS

Since the inception of the Receivership Termination Program in July 1992, 155 receiverships which had \$9.6 billion in total gross assets at the time of takeover have been terminated. The percentage of total dividends paid to proven claimants was 75% with \$5.3 billion of total dividends being paid on total proved claims of \$7.0 billion. The difference between the proven claims of the terminating receiverships and the actual total dividends 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 (99.96%) were from the RTC.

The 155 terminating receiverships had resolution and receivership book value reductions of \$6.3 billion, and recovered \$5.7 billion in cash proceeds from resolution and receivership sales and collections to the general public. The corporation purchased \$371 million in assets from these institutions for \$200 million. After the corporate purchase, the corporation has received \$152 million in cash proceeds from sales and collections on assets with a book value of \$280 million.

Receivership Terminations Inception Through December 1994 (Dollars In Billions)	
Number of Receiverships Terminated or in Process of Termination (1).....	155
Book Value of Assets at Takeover.....	\$9.6
Book Value of Assets at Resolution.....	\$6.6
Book Value of Assets Sold and Collected at Resolution or in Receivership.....	\$6.3
Cash Proceeds from Assets Sold and Collected at Resolution or in Receivership.....	\$5.7
Total Book Value Purchased by Corporation.....	\$0.4
Estimated Cash Proceeds from Assets Purchased by Corporation.....	\$0.2
Total Dividends from Terminating Receiverships (2).....	\$5.3
Total Proven Claims on Terminating Receiverships.....	\$7.0
Pct. Dividends to Proven Claims.....	75%
<p>(1) Refers to receiverships that the RTC has approved for termination and which have paid a final dividend. Twelve 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 \$661 million in repayments of RTC advances.</p> <p>Notes: Data exclude general claims proved and dividends paid to pass-through receivership creditors. 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 December 31, 1994, the RTC obtained \$114 billion in funds from the following external sources: \$50 billion in FIRREA appropriations, \$41 billion in subsequent loss funds by Acts of Congress, and \$23 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained \$113 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 December 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

SOURCES AND USES OF FUNDS	
(\$ in billions)	
Inception through December 31, 1994	
SOURCES:	
Initial Treasury Appropriations	\$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
Additional Appropriations	40.7
FFB Borrowings	<u>22.9</u>
Total External Sources	113.7
Recoveries from Receiverships	113.1
TOTAL SOURCES	<u>\$226.8</u>
USES:	
Resolutions and Receivership Funding	\$ 214.9
Conservatorship Advances Outstanding *	0.1
FFB Interest	9.0
Other Disbursements (Net)**	-1.2
TOTAL USES	<u>222.8</u>
NET CASH AVAILABLE	<u>\$ 4.0</u>
<small>* 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.</small>	

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 744 resolutions through December 31 required outlays of \$214.9 billion from the RTC. Outstanding advances to conservatorships existing at the end of December totaled \$0.1 billion. Interest on FFB borrowings was \$9.0 billion. This left \$4.0 billion in cash on hand on December 31.

NEWS NOTES:

LAST RTC INVESTMENT OPPORTUNITIES TO REACH MARKET IN 1995

Several attractive investment opportunities will be brought to the market during the next several months by the RTC as the agency

concludes the nation's six-year effort to protect depositors and sell assets of failed savings institutions.

The RTC, created in August 1989 and charged with protecting federally insured depositors of the then-growing number of failing savings institutions, has largely completed that task and will cease operations at the end of 1995. Since the inception of the RTC, asset sales (book value) have totaled \$439 billion. Recoveries on the \$439 billion have amounted to \$385 billion or 88 percent of book value. The RTC has protected approximately 24.8 million insured accounts in 744 failed savings institutions.

Assets remaining at RTC's sunset will be transferred for disposition to the RTC's successor, the Federal Deposit Insurance Corporation.

"The RTC is approaching its sunset date of December 31, 1995, and our remaining inventory consists primarily of hard-to-sell assets," said Deputy and Acting CEO John E. Ryan. "However, our staff believes there are some tremendous investment opportunities that we will be bringing to the market each day until the RTC's doors are closed."

A variety of sales initiatives will be employed to ensure participation of small investors. Among the upcoming offerings, there will be:

- Several residential and commercial loan securitizations, totaling approximately \$2.3 billion.
- S-series transactions, totaling about \$400 million each. The S-series transactions are partnerships with small investors that are structured to sell sub-performing and non-performing commercial mortgage loans and real estate.
- Two national non-performing loan auctions are expected to take place in Kansas City. More than \$300 million in loans will be auctioned at each event.
- A sealed-bid sale of more than 50 environmentally significant assets, with a book value of ap-

proximately \$140 million, is scheduled for February 22, 1995.

- Approximately \$100 million of tax exempt bonds will be offered.

In addition, the RTC expects to be offering investors the opportunity to engage in a new joint venture with the agency for the management and disposition of some of its most challenging non-performing loans and real estate.

Throughout the year, RTC's field offices will continue offering investors the option of purchasing individual assets. In addition, the field offices will hold a series of auctions and sealed bid events to sell primarily non-performing loans and real estate.

As of year-end 1994, the RTC's remaining \$25 billion (book value) of assets were distributed among field offices as follows: Valley Forge, \$5.7 billion; California, \$5.4 billion; Atlanta, \$5.1 billion; Dallas, \$4.8 billion; Kansas City, \$2.4 billion; and Denver, \$1.7 billion.

The sales planned for 1995 follow a very successful 1994 sales year for the RTC. During 1994, the asset inventory was reduced by approximately \$42 billion, resulting in cash recoveries of approximately \$27 billion or 65 percent of book value.

CONTRACTOR SENTENCED FOR DEFRAUDING RTC OF \$132,000

The owner of a Rochester, Minnesota, auction company was sentenced on January 10 in U.S. District Court, St. Paul, Minnesota, after being convicted of defrauding the RTC of more than \$132,000 over a two-year period.

Joseph J. Maas of Rochester, owner of Joe Maas International, Inc. (JMI), and JMI were found guilty on August 30, 1994, on all 35 counts for which they were charged. The multiple charges included false claims against the United States, interstate transportation of money obtained by fraud, mail fraud, wire

fraud, false statements, and conspiring to defraud the United States.

Maas controlled and operated JMI, an auction company that contracted with the RTC to dispose of the assets of failed savings and loan institutions.

Over a two-year period beginning in May 1991, Maas, JMI, and JMI's advertising director, Joan J. Sween of Rochester, submitted false invoices to the RTC, overbilled hourly rates, billed the RTC for work performed by non-existent JMI employees, and submitted bills unrelated to the RTC contract.

Maas was sentenced to 24 months imprisonment, followed by 36 months of supervised probation. He was also ordered to pay \$40,000 in restitution to the RTC, and pay mandatory assessments totaling \$3,500. JMI, Inc. was sentenced to 36 months probation and ordered to pay a mandatory assessment of \$7,000.

Sween was sentenced on September 26, 1994, to three years probation and four months of

home detention. She was also ordered to pay \$5,590 in restitution to the RTC and a \$50 special assessment fee, and perform 100 hours of community service.

This 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, 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) 782-3008
Asset Specific Inquiry Service	(800) 782-3008
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) 416-2823
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

Notes:

- 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 December 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 %	12.47 %	\$31.0	2,985
PA	494	201.7	4.4	3.11	23.47	179.5	21,241
PO	92	7.8	0.0	0.00	0.00	8.4	619
Total	744	\$239.8	\$4.6	2.71 %	21.29 %	\$218.8	24,844

RTC Resolutions
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	0	\$0.0	\$0.0	0.00 %	0.00 %	\$0.0	0
PA	61	15.5	1.1	10.86	19.42	14.3	1,904
PO	3	0.1	0.0	0.00	0.00	0.0	3
Total	64	\$15.6	\$1.1	8.94 %	19.28 %	\$14.3	1,907

*** 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
December 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
Cornerstone Bank, FSB, Mission Viejo, CA	PA	12/16/94	California FB, a FSB, Los Angeles, CA	\$43.8	\$8.4	**	0.07%
Total				\$43.8	\$8.4	**	0.07%
Grand Total - Inception through December 31, 1994				\$239,795.4	\$86,230.8	\$51,061.2	21.20%

NA = Not Applicable

* Deal Type:

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

** Less than \$50,000.

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 12/31/94	December 1994	1994
<u>Cash & Securities</u>			
Book Value Reduction	\$159,987	\$753	\$10,186
Discount from Book Value	3,624	49	373
Sales & Principal Collections	156,363	703	9,813
<u>1-4 Family Mortgages</u>			
Book Value Reduction	107,721	1,042	3,955
Discount from Book Value	3,880	128	420
Sales & Principal Collections	103,840	914	3,535
<u>Other Mortgages</u>			
Book Value Reduction	72,419	1,913	10,076
Discount from Book Value	17,049	646	4,201
Sales & Principal Collections	55,370	1,266	5,875
<u>Other Loans</u>			
Book Value Reduction	33,986	310	3,714
Discount from Book Value	3,659	196	946
Sales & Principal Collections	30,328	114	2,768
<u>Real Estate</u>			
Book Value Reduction	29,770	312	3,826
Discount from Book Value	13,322	152	2,307
Sales & Principal Collections	16,449	160	1,519
<u>Other Assets</u>			
Book Value Reduction	34,988	2,114	10,248
Discount from Book Value	12,792	1,183	6,608
Sales & Principal Collections	22,195	931	3,640
<u>Total Assets</u>			
Book Value Reduction	438,871	6,443	42,005
Discount from Book Value	54,326	2,355	14,855
Sales & Principal Collections	\$384,545	\$4,088	\$27,150

Notes: Data for inception through December 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 December 1994
(Dollars in Billions)**

744 Closed Institutions

	Cash & Securities /1	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /2	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$109.2	\$113.1	\$80.9	\$29.8	\$30.8	\$11.0	20.5	\$395.3
<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) /3.....	(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).....	25.5	15.6	5.7	3.6	0.1	0.4	0.1	51.1
Assets Retained (After Putbacks).....	20.8	51.1	51.2	15.6	19.9	11.0	17.9	187.6
Principal Collections.....	17.3	41.6	30.0	9.6	8.9	6.8	8.5	122.6
Other Changes (Net) /4.....	1.6	5.6	14.7	3.9	9.0	(0.1)	7.4	42.1
Receivership Assets as as of December 31, 1994.....	\$2.0	\$3.9	\$6.5	\$2.1	\$2.0	\$4.3	\$2.1	\$22.9

1 Conservatorship Institution /5

	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.....	0.9	1.2	0.3	0.9	0.2	0.2	0.1	3.9
Payment & Maturities.....	4.1	0.8	0.1	2.3	0.0	0.0	1.1	8.4
Other Changes (Net) /3.....	(3.8)	(0.7)	0.1	(2.6)	0.1	0.0	(0.7)	(7.6)
Conservatorship Assets as as of December 31, 1994.....	\$0.8	\$0.8	\$0.1	\$0.1	\$0.0	\$0.0	\$0.2	\$2.1

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

All 745 Institutions

	Cash & Securities /1	1-4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /2	Subsid- iaries	Other Assets	Total
Assets at Takeover.....	\$111.1	\$115.2	\$81.5	\$30.5	\$31.0	\$11.3	\$21.4	\$402.0
Reductions During Conservatorship								
Sales Proceeds.....	61.5	28.8	7.7	5.8	7.4	0.4	2.1	113.8
Payment & Maturities.....	52.1	17.9	11.9	11.3	0.0	1.2	2.6	97.1
Other Changes (Net) /3.....	(49.6)	1.0	4.8	(5.9)	3.5	(1.8)	(1.6)	(49.6)
Assets at Resolution	46.3	66.7	56.9	19.2	20.1	11.4	18.0	238.6
Resolution & Receivership Reductions								
Assets Passed (Net of Putbacks).....	25.5	15.6	5.7	3.6	0.1	0.4	0.1	51.1
Assets Retained (After Putbacks).....	20.8	51.1	51.2	15.6	19.9	11.0	17.9	187.6
Principal Collections.....	17.3	41.6	30.0	9.6	8.9	6.8	8.5	122.6
Other Changes (Net) /4.....	1.6	5.6	14.7	3.9	9.0	(0.1)	7.4	42.1
Conservatorship and Receivership Assets as as of December 31, 1994.....	\$2.8	\$4.7	\$6.7	\$2.2	\$2.1	\$4.3	\$2.3	\$25.0

/1 Excludes accumulation of approximately \$14.8 billion of receivership cash and investments available for the payment of expenses and dividends.

/2 Transfer of REO from one subsidiary to a receivership is included in Other Changes.

/3 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.

/4 Includes asset balance adjustments and principal losses.

/5 The conservatorship balance includes \$713.8 million of assets of one institution resolved on 11/18/94.