



PRESS RELEASE

Federal Deposit Insurance Corporation

August 3, 1998

Media Contact:
Patrick I. Noble 202-416-2912

MORTGAGE LOAN SERVICER ENTERS PLEA AGREEMENT FOR DEFRAUDING RESOLUTION TRUST CORPORATION OF \$3.5 MILLION

FOR IMMEDIATE RELEASE

FDIC Inspector General Gaston L. Gianni, Jr., announced today that Ryland Mortgage Company (Ryland) has entered an agreement with the U.S. Government to plead guilty for defrauding the former Resolution Trust Corporation (RTC) of \$3.5 million. The plea agreement has been filed in the U.S. District Court in Jacksonville, FL.

Ryland is an Ohio corporation with principal offices in Columbia, MD. Between 1992 and 1995, Ryland operated a mortgage loan-servicing office in Jacksonville, FL. Charges against Ryland arose in connection with the transfer of servicing under two securitization transactions that the RTC undertook in 1991 and 1992.

The RTC was created in 1989 to resolve failed savings and loan associations, and manage and dispose of their assets, including residential mortgage loans. The RTC closed its doors on December 31, 1995, and the FDIC took over the RTC's remaining business.

A federal grand jury in Jacksonville, FL, returned a five-count Superseding Indictment in February 1998 against Ryland and three former senior employees. The indictment charged Ryland and the three officials with conspiracy to defraud the RTC, concealing material information from the RTC in a matter within its jurisdiction, and corruptly interfering with the functions of the RTC.

Under the terms of the plea agreement, Ryland will plead guilty to two counts of corruptly interfering with the functions of the RTC. Ryland has also agreed to pay a \$4.2



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-53-98

million fine and \$3.5 million, plus interest, in restitution. The individual defendants are scheduled to stand trial in the U.S. District Court in Jacksonville beginning October 13, 1998.

An indictment is merely an accusation. Defendants are presumed innocent unless proven guilty.

This case was investigated by special agents of the Office of Inspector General's Atlanta office.

Last Updated 07/14/1999
