



# PRESS RELEASE

Federal Deposit Insurance Corporation

March 17, 1994

## **FDIC TO SELL UP TO \$1.25 BILLION OF COMMERCIAL MORTGAGE LOANS**

### **FOR IMMEDIATE RELEASE**

The FDIC's Board of Directors has approved a proposal by its Division of Depositor and Asset Services to sell mortgage pass-through certificates in a public offering. The plan will be the Corporation's first sale of loans as part of a mortgage-backed securities transaction.

The certificates will evidence beneficial ownership interests in performing commercial real estate-secured loans with a book value of up to \$1.25 billion. The commercial mortgage loans were originated by failed depository institutions nationwide that were insured by the Bank Insurance Fund

The certificates are expected to include an FDIC guaranty for a limited amount of credit losses and interest rate risk, with subsequent losses borne by the holders of the securities.

The offering of the securities will be made only by means of a prospectus.

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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.

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