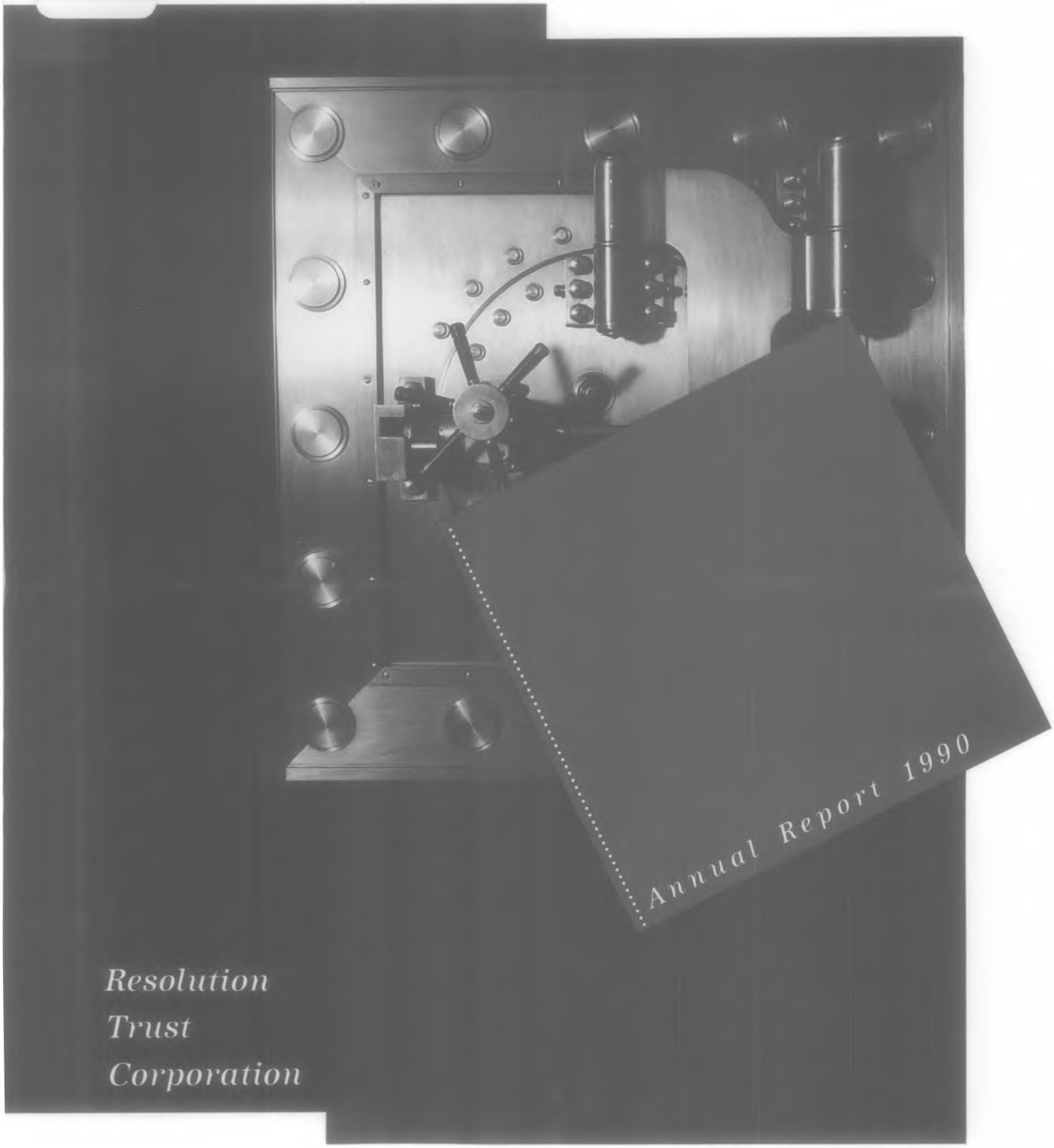


Resolution Trust Corporation

RTC

Annual Report 1990

October 15, 1991

Resolution Trust Corporation
Washington, D.C.

Sirs:

In accordance with the provisions of section 501 of the Financial Institutions Reform, Recovery, and Enforcement Act, the Resolution Trust Corporation is pleased to submit its Annual Report for 1990. Financial operating plans and forecasts are being provided separately.

Very truly yours,

L. Wm Seidman

L. William Seidman
Chairman

The President of the U.S. Senate
The Speaker of the U.S. House of Representatives

Board of Directors

L. William Seidman

L. William Seidman was elected Chairman of the Federal Deposit Insurance Corporation on October 21, 1985. Prior to his FDIC appointment, Mr. Seidman spent many years in the financial field, holding positions in both the public and private sectors. He served as Dean of the College of Business of Arizona State University and a director of several organizations, including the Phelps Dodge Corporation, Prudential-Bache Funds, United Bancorp of Arizona, and The Conference Board. He was Co-chairman of the White House Conference on Productivity, Vice Chairman of the Phelps Dodge Corporation, Assistant to President Gerald Ford for Economic Affairs, and Managing Partner of Seidman & Seidman, Certified Public Accountants, New York. Other prior positions include Chairman and Director of the Federal Reserve Bank of Chicago, Detroit Branch. Mr. Seidman received an A.B. degree from Dartmouth College and earned an LL.B. from Harvard Law School. He also holds an M.B.A. from the University of Michigan. Mr. Seidman is a member of the American Bar Association, the American Institute of Certified Public Accountants, and several honorary academic fraternities, including Phi Beta Kappa. He has authored two books and numerous articles on business and tax subjects. ■

Andrew C. Hove, Jr.

Andrew C. Hove, Jr., was appointed Vice Chairman of the FDIC Board of Directors on July 23, 1990. He brought to the position three decades of banking experience. During his 30 years with the Minden Exchange Bank & Trust Company in Minden, Nebraska, he rose to the ranks of Chairman and Chief Executive Officer. Mr. Hove also served as a President of the Nebraska Bankers Association, and held various other leadership roles within the association. At the American Bankers Association, Mr. Hove served as a delegate to the ABA Leadership Conference, a banking advisor, and Vice President representing Nebraska. He is a former President of the Nebraska Electronic Transfer System and the Kansas/Nebraska Schools of Banking. Mr. Hove has held several civic posts and has been active in local government, holding such positions as Treasurer and Mayor of the city of Minden. He earned a B.S. degree from the University of Nebraska-Lincoln, and is a graduate of the University of Wisconsin-Madison Graduate School of Banking. ■

RTC Board of Directors

L-R (front)

L. William Seidman
Chairman

C.C. Hope, Jr.
Director

L-R (rear)

Robert L. Clarke
Comptroller of the Currency

Andrew C. Hove, Jr.
Vice Chairman

Timothy Ryan
Director, Office of Thrift Supervision

Rick Bloom

C.C. Hope, Jr.

C.C. Hope, Jr., was appointed to the FDIC Board of Directors on March 10, 1986, following an extensive career in banking. Mr. Hope spent 38 years at First Union National Bank of North Carolina in Charlotte, retiring as Vice Chairman in 1985. He is a former President of the American Bankers Association and has served as Secretary of the North Carolina Department of Commerce. Mr. Hope has also held several positions in the educational field, currently serving as a trustee on the Board of Wake Forest University, which he formerly chaired. He also served as Dean of the Southwestern Graduate School of Banking at Southern Methodist University. Mr. Hope holds a B.A. in Business Administration from Wake Forest University and has completed graduate work at the Harvard Business School and The Stonier Graduate School of Banking at Rutgers University. ■

Robert L. Clarke

Robert L. Clarke was sworn in as Comptroller of the Currency on December 2, 1985. At the same time, he became a member of the FDIC's Board of Directors. Prior to these appointments, Mr. Clarke headed the banking section at Bracewell & Patterson, a law firm in Houston, Texas, which he joined in 1968. The banking section, founded by Mr. Clarke, prepared corporate applications and securities registrations, counseled management in expansion opportunities and the effects of deregulatory initiatives, and represented institutions in enforcement matters. Mr. Clarke is a member of the Texas and New Mexico bars. He has served as a director for two state banks and has been active in several civic, political, and professional organizations. Mr. Clarke received a B.A. in Economics from Rice University and an LL.B. from Harvard Law School. ■

Timothy Ryan

Timothy Ryan was appointed Director of the Office of Thrift Supervision on April 9, 1990, following his nomination by President George Bush and confirmation by the U.S. Senate for a five-year term. Prior to his appointment, Mr. Ryan was a partner and member of the executive committee of the law firm of Reed Smith Shaw and McClay. While with the firm, he specialized in labor and employment relations. From 1981 to 1983, he served as Solicitor of Labor at the U.S. Department of Labor. Mr. Ryan received a bachelor's degree from Villanova University and a Juris Doctor from The American University's Washington College of Law. ■

Introduction

R T C

As an increasing number of savings and loan associations headed toward insolvency during the 1980s, President Bush initiated a restructuring plan for the thrift industry to thwart its collapse. As part of the plan, in February 1989 the Federal Deposit Insurance Corporation (FDIC) was tasked with leading a large-scale interagency effort to evaluate and manage the operations of insolvent savings and loans, containing losses and maintaining services to depositors, until Congress authorized reform of the savings associations' regulatory and deposit insurance system. Joining the FDIC in this effort were the Federal Savings and Loan Insurance Corporation (FSLIC), the Federal Home Loan Bank Board, the Federal Reserve Board, and the Office of the Comptroller of the Currency.

On August 9, 1989, Congress passed the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), establishing the Resolution Trust Corporation (RTC) to solve the crisis in the thrift industry. To this end, the RTC must contain, manage, and "resolve" failed savings associations that were insured by the FSLIC before FIRREA's enactment and for which a conservator or receiver is appointed between January 1, 1989, and August 9, 1992.

As part of its mission, the RTC must maximize the net present value return from the sale or other disposition of savings associations and their assets; minimize the impact of such transactions on local real estate and financial markets; minimize the amount of any loss realized in the resolution of these insolvencies; and maximize the availability and affordability of residential real property for low- and moderate-income individuals.

During 1990, the RTC took control of 207 savings and loans determined to be insolvent by the Office of Thrift Supervision (OTS). While the institutions were under the RTC's control, the RTC took steps to preserve basic services to customers, evaluate the thrifts' financial conditions, reduce costs, identify and stop any fraud or abuse, and prepare the institutions for resolution. At yearend, the RTC had closed or sold 315 insolvent savings institutions and achieved asset sales and collections of $128 billion from the failed thrifts.

The RTC operates from its headquarters in Washington, D.C., and four regional offices based in Atlanta, Georgia; Dallas, Texas; Denver, Colorado; and Overland Park, Kansas. Reporting to the regional offices are 14 consolidated offices and 14 sales centers, established at the national, regional, and local levels to facilitate the sale of real estate, financial instruments, and other assets.

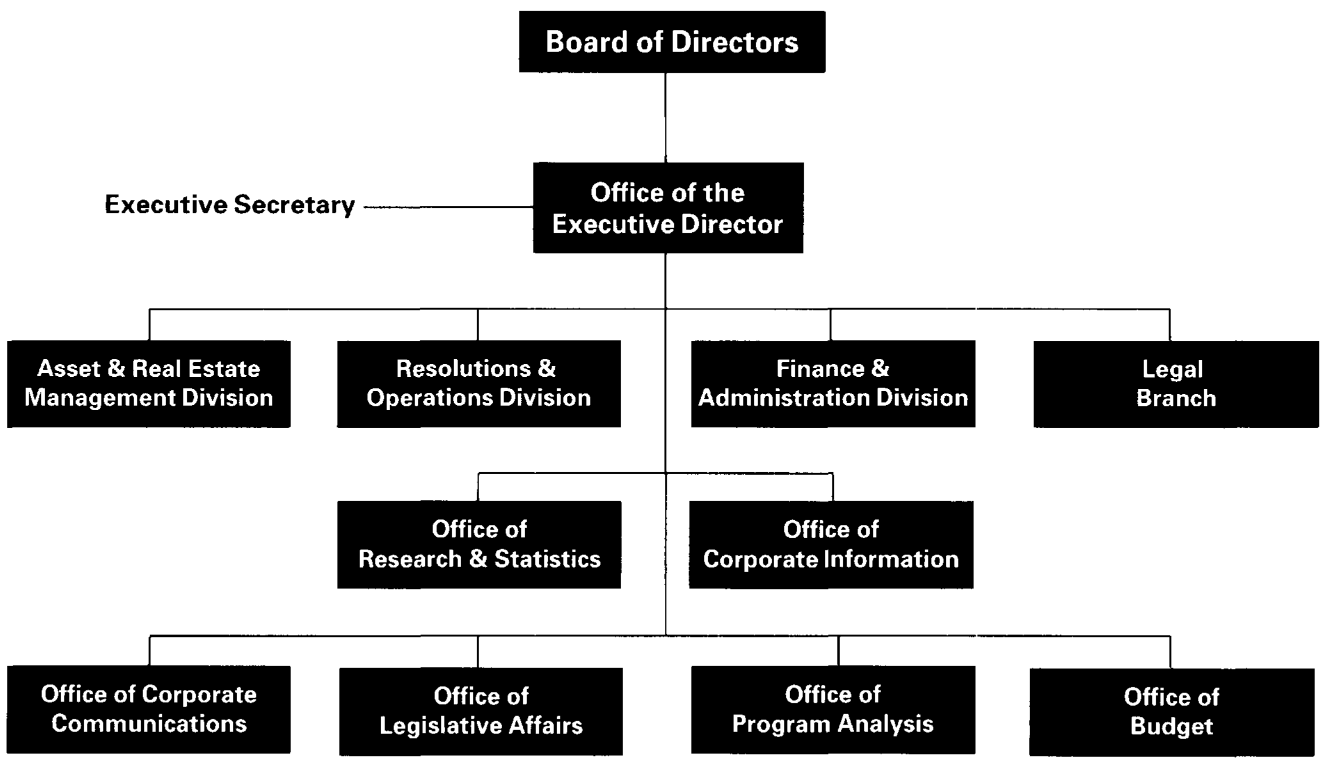
Serving as manager of the RTC is the FDIC. Executive Director David C. Cooke oversees the RTC's day-to-day operations. The RTC's Board of Directors, which also serves as FDIC's Board, is chaired by L. William Seidman. Other members of the Board in 1990 included Andrew C. Hove, Jr.; C.C. Hope, Jr; Comptroller of the Currency Robert L. Clarke; and Timothy Ryan, Director of the Office of Thrift Supervision.

FIRREA also established the RTC Oversight Board to formulate policy, approve funding, and provide general oversight of the RTC. The act specified five members to serve on the Board: the Secretary of the Treasury, who chairs the Board; the Secretary of Housing and Urban Development; the Chairman of the Federal Reserve Board; and two public members named by the Senate. ■

1990

Organization Chart

Resolution Trust Corporation
Washington Office Structure



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Chairman's Statement

Faced with the most difficult cleanup job ever undertaken by the government or the private sector, the Resolution Trust Corporation has made great strides in resolving the savings and loan crisis. Still, much work remains, including continuing with the initiatives underway to improve our performance.

In less than two years, we have become one of the nation's largest financial institutions. Entering 1990, we were managing an inventory of 281 failed thrifts. During the year, we took control of another 207 institutions and resolved 315 S&Ls. Since the RTC's inception, we have resolved 396 thrifts, resulting in the protection of about 14 million insured deposit accounts and a net savings of approximately $1.9 billion over the cost of paying off insured deposits. Our current inventory of institutions that we must manage in the conservatorship program totals 221.

Controlling and stabilizing so many institutions in such a short time has been difficult. We manage the operations of thousands of thrift employees in hundreds of savings and loan offices around the country. Typically, an insolvent thrift has poor records and inferior assets, and has lost core customers and key personnel. Our job is to preserve what value these institutions may have and prepare them for sale.

Our most formidable task as the country's largest sales organization is selling the billions of dollars in assets left behind as failed thrifts are sold or closed. This job is also our most unpopular one. Liquid assets can be sold quickly, but disposing of distressed assets, such as foreclosed real estate or delinquent commercial loans, is a significant challenge, particularly in weak markets.

Despite these obstacles, we have sold and collected some $160 billion in assets with a book value of $167.7 billion, and are managing assets with a book value of $168 billion. So, we have effectively cut our asset inventory in half.

We take particular pride in these achievements. While operating at a record pace, we were faced with establishing the RTC as an organization—a complex undertaking in itself. The job involved locating offices, recruiting and training a work force, and developing and implementing numerous policies and procedures. The RTC has multiplied from a handful of FDIC employees to a staff of 7,000, most of whom are non-career employees in the field managing the hundreds of failed thrifts and their billions of dollars in assets. Keeping pace with the growth has been a major challenge.

To improve our performance and achieve our ultimate goal—saving the taxpayers' money—we have undertaken a number of initiatives. For example, we have aggressively pursued and implemented internal controls to protect RTC assets from loss and to deter mismanagement and waste. Such controls are integral to the successful operation of any business, particularly a rapidly growing, geographically dispersed agency like the RTC.

In a move to boost RTC real estate sales, the RTC Board has adopted a more liberalized pricing policy that allows for faster, more substantial price reductions, while ensuring that RTC property sells at true market value. In the face of a depressed nationwide real estate market, this initiative is particularly important. It gives the RTC the flexibility to price property to meet the real estate market, instead of holding the property until the market rises to the appraisal price.

Another important initiative is the securitization of RTC assets. Through securitization, the RTC expects to sell the bulk of residential mortgage loans not sold with the institutions. The RTC has completed the requisite shelf registration with the Securities and Exchange Commission and has hired the necessary servicers, underwriters, and trustees to dispose of these assets on the marketplace. Our goal is to issue securities at a rate of about $1 billion per month.

To dispose of our most illiquid assets—non-performing loans, performing commercial mortgages, junk bonds, and real estate—we plan to expand programs to sell large packages of these assets in 1991 and in the coming years.

Chairman
L. William Seidman

David Hathcox

We have continued our aggressive pursuit to provide affordable housing for lower-income families. The RTC has listed 2,748 single-family properties with clearinghouses, and has accepted offers on 7,141 single-family homes. Congress has expanded the affordable housing program to include single-family residences in conservatorship institutions, enabling us to get these properties into the hands of eligible buyers more quickly.

As Congress intended, the RTC relies heavily on private sector contractors to manage and sell assets, and is strongly committed to contracting services whenever appropriate. Our goal is to place the bulk of unsold distressed loans and real estate under contract through the Standard Asset Management and Disposition Agreement (SAMDA), which includes incentives to speed sales and maximize recoveries. Assets under SAMDAs totaled more than $23 billion in book value through May 1991.

We have devoted considerable effort to reaching out to minority- and women-owned businesses, improving the identification, registration, and awarding of contracts to them. These groups comprise about 25 percent of the nearly 60,000 registrants on our contractor database. Almost one quarter of all RTC contracts have been awarded to minority- or women-owned businesses—6,234 contracts with estimated total fees of almost $194 million. The RTC has awarded a total of 27,240 contracts with estimated fees of approximately $965 million.

Clearly, the task ahead for the RTC is considerable in magnitude and complexity. According to projections by the Office of Thrift Supervision, we expect another 112 thrifts to be placed in conservatorship over the next few years, bringing the total since our inception to more than 700. But with innovative programs in place, and a dedicated and experienced staff, we are well on our way to meeting the challenge. ■

June 1, 1991

Executive Director's Statement

Since its establishment in August 1989, the RTC has accomplished much despite formidable obstacles. It has protected millions of depositors, closed hundreds of troubled thrifts, and disposed of an unprecedented volume of assets. Moreover, this was accomplished despite the economic recession and the worst real estate market conditions in decades.

During 1990, a major activity was to develop a core organization to carry out the RTC's mission effectively. We recruited staff, established policies and procedures, engaged contractors, provided necessary facilities, and developed training programs and management systems. At the same time, the RTC closed 315 savings institutions and sold or collected over $100 billion of assets in 1990.

With the organization in place, strong resolution and asset sales activity has continued into 1991, as the RTC has pursued its basic goal of maximizing return and minimizing loss. From its inception through May 1991, the RTC took control of 617 insolvent thrifts, resolved 396, and managed the remaining 221 in its conservatorship program. Through these resolutions, the RTC protected about 14 million deposit accounts and produced net savings to taxpayers of nearly $2 billion over the cost of paying off insured deposits.

During the same period, recoveries from asset sales and collections totaled $160 billion, or 96 percent of the assets' original book value of $167 billion. Recoveries of the less marketable assets remaining under RTC control will be considerably lower. Sales and collections represented about one-half of all the assets taken over by the Corporation since its inception.

Total assets under RTC management on May 31, 1991, amounted to $168 billion, almost two-thirds of which represented hard-to-sell assets such as commercial mortgages, delinquent loans, and real estate.

To dispose of these assets, a national sales organization has been put in place and comprehensive sales strategies have been developed. The RTC has established 14 sales centers operating in strategic locations throughout the country. The National Sales Center in Washington coordinates the activities of the other centers and markets some of the larger portfolio sales of loans and real estate properties.

Bonds and other fixed-income securities are sold directly to the capital markets through a specially staffed and equipped sales desk located in Washington. Agency-eligible residential mortgages are routinely swapped for Fannie Mae and Freddie Mac securities. Securitization is the preferred approach for performing residential mortgages which do not conform to agency standards. Sales of $1 billion to $2 billion per month are expected.

Performing loans which have homogeneous characteristics but cannot be readily securitized are generally disposed of through whole loan portfolio sales for cash. For hard-to-sell assets such as real estate and non-performing loans, the RTC is pursuing both wholesale and retail approaches. Structured portfolio sales are designed to sell large amounts of such assets and offer conventional RTC financing as well as cash flow financing in return for a share of the upside earning potential. The RTC also uses contractors employed under Standard Asset Management and Disposition Agreements to sell real estate and non-performing loans on an individual basis.

Executive Director
David C. Cooke

David Hathcox

Auctions are the preferred method of selling real and personal property valued at less than $100,000. The RTC has accelerated the sale of small properties that require substantial administrative expenses in order to free up resources to concentrate on sales of larger assets.

In line with FIRREA, the RTC has made a major commitment to assist the less advantaged in obtaining affordable housing. Through May 1991, nearly 14,000 single- and multi-family properties were listed with clearinghouses. The RTC had sold or accepted offers for more than 18,000 dwelling units for about $367 million. The average purchase price of single-family properties in the Affordable Housing Disposition Program is about $32,000 and the average income of purchasers is about $22,000, 58 percent of the national median income. Properties that have no reasonable recovery value are being donated to non-profit organizations and public entities.

Through its investigative activity, the RTC has contributed to the recovery of assets diverted from institutions through professional misconduct, gross negligence, or fraud and has provided assistance to the Department of Justice in the prosecution of those responsible. This has resulted in over 100 convictions of individuals associated with RTC-controlled thrifts. The RTC expects to settle claims yielding recoveries of $100 million in the next few months, while several major claims are pending.

Restructuring and renegotiation of 1988-89 FSLIC assistance agreements are expected to produce estimated savings of $2 billion in present value terms, excluding increased tax revenue to the Treasury.

In order to carry out its enormous responsibilities, the RTC has put together one of the country's largest financial institutions in terms of assets. The RTC's staff has also increased, from a few hundred at inception to over 7,000. However, over 70 percent consists of non-career employees serving under temporary appointments, while the remainder are FDIC personnel temporarily assigned to the RTC. Furthermore, the RTC makes extensive use of private-sector contractors for a variety of functions which would otherwise be performed by employees.

The RTC has taken on a task of massive proportions. While much remains to be done, the RTC is well on its way to accomplishing its mission. ■

June 1, 1991

Operations

Asset and Real Estate Management Division

The Asset and Real Estate Management Division has the unprecedented task of managing and disposing of billions of dollars in assets acquired through the resolution of failed thrifts. To accomplish this task, the division focuses on disposing of assets quickly and efficiently. The Asset Disposition Branch, Asset Marketing Branch, Affordable Housing Disposition Program, and Contract Management Section all play important roles in accomplishing the division's objectives. The division also has operations in the regional and consolidated field offices. The bulk of the RTC's employees are assigned to the field to administer the asset and real estate management functions.

Asset Disposition Branch

The Asset Disposition Branch is charged with managing and disposing of real estate and other assets in a way that maximizes the net present value to the RTC, while minimizing the effect on local real estate and financial markets. This task is complicated by the RTC's responsibility to ensure that low- and moderate-income individuals as well as non-profit organizations are given the opportunity to purchase eligible single-family and multifamily housing.

This branch also reviews credit cases relating to asset disposition. It has delegated authority for asset matters to the Washington, regional, consolidated, and field staffs. Asset decisions are usually presented in a case format and are reviewed by an asset committee. The three Washington committees responsible for hearing these cases, depending on the request or amount, are the RTC Committee on Management and Disposition of Assets, the Senior Committee on Management and Disposition of Assets, and the Board of Directors. Generally, consolidated field offices have delegated authority for asset decisions up to $10 million, and Regional Directors have delegated authority up to $25 million. Cases involving assets of $25 million or more are referred to Washington for review.

During 1990, RTC receivership asset sales and collections totaled $15 billion. At yearend 1990, the RTC receivership asset balance totaled $58 billion in book value, with mortgages comprising $32.5 billion; real estate owned, $7.7 billion; commercial loans, $5.2 billion; other owned assets, $1.7 billion; securities, $3.8 billion; installment loans, $2 billion; and other assets, $5 billion.

FIRREA mandates the RTC to utilize the services of private sector companies in managing and disposing of assets whenever possible. This is being accomplished through the use of Interim Servicing Agreements (ISA), Standard Asset Management and Disposition Agreements (SAMDA), and other contracting activities. Primarily through ISAs and SAMDAs, private sector firms were managing $36 billion, or 62 percent, of the total assets in receivership at yearend.

In 1990, the RTC Oversight Board adopted several policies that directly affected the Asset and Real Estate Management Division. These policies were designed to improve RTC asset sales, while still meeting the goals set forth by FIRREA.

The RTC Strategic Plan provided for seller financing to purchasers who make a significant equity contribution (at least 25 percent, subject to a periodic review by the Oversight Board). Policy Statement Number 13, "Seller Financing of Asset Sales," authorized the RTC on March 8, 1990, to lower its minimum down payment standard to 15 percent for most types of real estate assets and to 5 percent for single-family residential property in specified circumstances. This more flexible down payment standard was established to help the RTC compete more effectively as a seller in distressed markets, to reduce holding periods and associated costs for certain properties, and to achieve a greater net present value return. At that time, a $1 billion cap was instituted on the amount of seller financing provided by the RTC. In October 1990, the RTC Oversight Board extended the cap to $1.25 billion and allowed for $250 million in seller financing for affordable housing properties. Further, additional authorization was granted in December allowing the RTC to provide up to $7 billion of seller financing for the sale of assets.

During 1990, the Asset Disposition Branch also issued two important manuals to help educate employees and outside contractors. The *Asset Management and Disposition Manual*, issued on August 8, provides guidelines for managing and disposing of assets. The manual is updated regularly.

1990 Asset Sales and Collections - Conservatorships, Resolutions and Receiverships (dollars in millions)

Total Sales and Collections: $103.9 Billion

Note: Sales are net of asset putbacks.

The RTC *Environmental Guidelines and Procedures Manual* was issued on September 17. This manual details the required review of all property (other than single-family residences), using a series of checklists, to identify environmental hazards and environmental resources.

A number of directives/guidelines were also issued during the year, including a Real Estate Owned Inventory directive that identified the recordkeeping requirements necessary to publish a semiannual national inventory of all real property assets under the RTC. Twice yearly, a hard copy of the RTC real estate inventory is published.

The Asset Assignment Policy was issued in February about the use of private sector resources and expertise in managing and disposing of both corporate and receivership assets, an action that is also mandated by FIRREA. Asset management contracts serve as useful and necessary resources to carry out this mission. Asset portfolios are categorized by asset complexity/difficulty, asset type, asset location, and other areas.

Uniform standards and procedures were established during the year to determine appropriate Estimated Cash Recovery (ECR) amounts on assets held by the RTC. ECR is determined by estimating the gross cash to be recovered over specifically defined intervals. The ECR will be updated regularly.

On November 28, a directive was issued on the Oversight Manager Program. The directive established a comprehensive program through which oversight managers monitor and review the activities and performance of the asset management contractors.

In December, methods and procedures were issued to determine an appropriate Estimated Recovery Value (ERV) for an asset pool that will be assigned to an asset management contractor under the SAMDA program. According to the guidelines, assets with similar characteristics, problems, and/or in a common market or region should be placed into a single management and marketing portfolio. The ERV for the asset pool will be used to calculate the pro rata increases or decreases to the asset management contractor's management fee, as well as to calculate what disposition fees have been earned.

Asset Marketing Branch

The Asset Marketing Branch markets the large inventory of real properties, bulk loans, and other assets under the RTC's control. It also guides and assists the regional offices in their marketing activities.

In September 1990, the RTC approved the establishment of sales centers at the national, regional, and consolidated site levels. These sales centers are an integral part of the marketing process and are responsible for facilitating the sale of real estate owned and financial instruments under RTC contract. Sales center staffs respond to customers' needs and requests, rather than develop marketing plans or package assets. The National Sales Center in Washington is involved in the sales of large portfolios of assets, and in asset sales that have a national or cross regional scope.

In September, the branch also issued a policy on the "Marketing of Real Estate Owned Assets for Purposes of Bulk Sales Transactions and Auctions." The policy provides guidelines and implements new procedures for marketing real estate owned assets through bulk (or portfolio) sales transactions and auctions. This policy applies to all future bulk (portfolio) sales transactions and auctions by the National Sales Center or the sales centers at the regional and consolidated site levels, and will facilitate the creation of investor sales packages.

After issuing two Solicitations of Services, the RTC chose 21 firms in September to provide loan sales advisory services and 16 firms to provide due-diligence services. The loan sales advisors provide counsel in evaluating, structuring, and marketing single-family mortgage loans and consumer loans. The due-diligence firms provide information on loan quality, assisting the RTC in marketing loans and helping achieve a better price for RTC loans. Under this prequalified program, the contractors sign a Basic Ordering Agreement specifying the tasks that the contractor is able to perform. When specific services are needed, task orders are sent to the contractors who bid on the services. The winning bidder, who is chosen based on the contractor's expertise, ability to perform, and cost to the RTC, signs the task order.

The RTC decided in October that it would make a concerted effort to sell small-dollar assets because they are generally labor-intensive and the sale of these assets would free up staff to concentrate on larger, more complex assets. Two policies were issued, "Disposition of Real Estate Owned Valued Less Than $100,000" and "Sale of Non-Performing Loans Under $50,000."

The vast majority of all real estate owned assets are each valued at $100,000 or less. Early disposition of these lower-value assets would maximize return to the RTC and relieve a large administrative burden in managing these properties. The use of auctions and sealed bids in a systematic manner greatly enhances RTC disposition activities. A series of auctions or sealed bids over a period of time was proposed during the year. Well-conducted auctions, adequately marketed, whereby the properties are exposed to the market would ensure that a property sells at market value. The regions were encouraged to use absolute auctions and sealed bids to dispose of lower-value real estate assets. Although the use of minimum reserve prices is an acceptable practice for the sale of real estate owned properties, competitive reserve prices on lower-dollar real estate owned assets were encouraged.

In 1990, each region was encouraged to establish a geographic network of asset management contractors to dispose of single-family residential and other lower-value real estate assets. The contractor selected for a specific geographic area would then be responsible for disposing of RTC single-family residential and lower-value assets in that area. These "bucket" asset management contracts are being widely utilized.

The disposition policy for loans under $50,000 provided general guidance for the sale of non-performing loans with a book value less than $50,000 from conservatorships and receiverships. The RTC has a large number of loans in the latter category, and like real estate owned properties, these assets are very labor-intensive. Lower-dollar loans, exclusive of those secured by real estate, that are 60 days or more past due can be competitively sold on an absolute basis without establishing reserve prices if (1) a case to market and sell has been approved within the appropriate delegations of authority, (2) direct solicitation is made to all parties responding to advertising or identified on the loan investor database as having expressed an interest in the product type, and (3) at least three legitimate and conforming bids are received. A sale can be canceled if fewer than three bids are received.

To publicize the RTC's loan offerings, beginning in October 1990, a weekly calendar was published in *The Wall Street Journal* every Thursday on the government securities page. The advertisement lists all weekly RTC loan offerings, including pertinent characteristics of the loan packages being offered, and a contact and phone number for receipt of a bid package. The advertisement has been very successful and has allowed investors to have a centralized listing of all offerings.

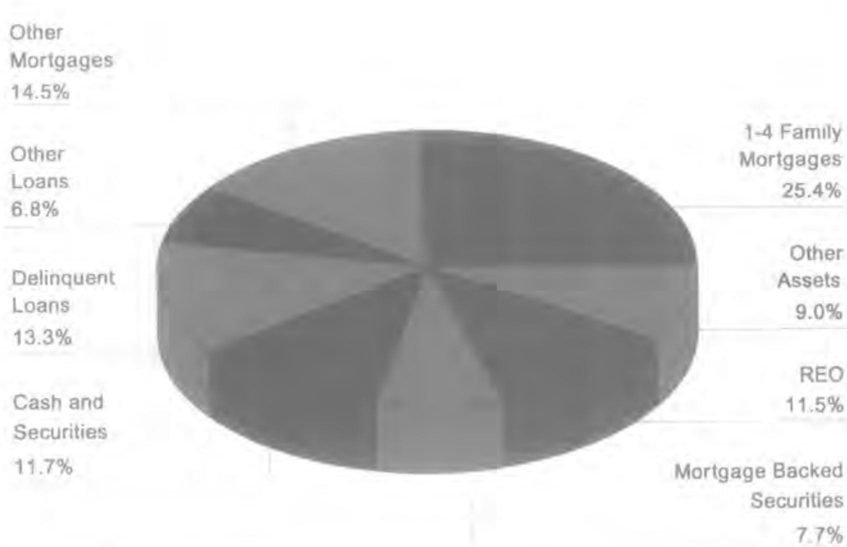
In October, the RTC, in its capacity as conservator or receiver, entered into master contracts with the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) to allow conservatorships and receiverships to swap loans for agency mortgage-backed securities formed from those loans. However, these "master agreements" only become effective when incorporated by reference in a supplemental agreement for a particular pool executed by a particular conservatorship or receivership and the applicable agency. In November, an addendum to the Fannie Mae master agreement was included to allow for cash sales. Through this process, the RTC receives the best execution for loans that are agency eligible, rather than selling to a middle buyer at a lower price, who then approaches the agencies.

During the year, the Asset Marketing Branch was involved in several marketing activities to promote RTC sales. A telemarketing program was implemented on January 1 to respond to public requests for RTC real estate information. In addition, a toll-free line was activated to receive orders for the RTC real estate inventory as well as to answer questions. This service was enhanced later in the year to include an asset-specific inquiry program providing customized real estate information to callers. The RTC marketing group also participated in numerous national and regional trade shows, conferences, and exhibits to educate the public about the RTC and to provide information about the properties being offered.

Other marketing tools were developed in 1990 to increase the public's awareness about RTC assets. A brochure entitled *How to Buy Real Estate*, detailing products other than hard-copy inventories that list the RTC's real estate inventory, included information such as whom to contact and how to work with the RTC to purchase assets. The real estate inventory was also available through four additional

Conservatorship and Receivership Assets Under RTC Management (as of December 31, 1990)

Total Assets: $144 Billion



Percentage of Gross Assets

programs including the CD ROM (compact disc), floppy disk, a dial-up program, and the previously mentioned asset-specific program.

Beginning in 1991, the branch will create a section dedicated to securitization. The RTC will then file a shelf registration with the Securities and Exchange Commission (SEC) and begin issuing investment-grade securities. Advisers, underwriters, and other private contractors will be hired to participate in the effort.

Affordable Housing Disposition Program

FIRREA requires the RTC to identify real estate assets suitable for low- to moderate-income housing and offer non-profit housing organizations an exclusive 90-day option to purchase these properties. Non-profit housing organizations include consumer and public interest groups, as well as state and local housing agencies. Some of these organizations also act as clearinghouses to disseminate information about properties available for sale by the RTC.

The RTC defined a broader role for regional and local non-profit organizations and public agencies in order to benefit from their expertise and long-term involvement in providing specialized assistance in helping low- and moderate-income families find affordable housing. The role of the technical assistance advisors (TAA), which include a range of public and non-profit sector entities, would involve identifying qualified buyers, assisting with prescreening and prequalification of purchasers, and helping to arrange financing. As envisioned, the combined involvement of clearinghouses and technical assistance advisors would result in expanded marketing and outreach, and also enhance the RTC's ability to sell its inventory of affordable properties to families who qualify under the program.

RTC Oversight Board Policy Statement Number 14, "Use of State and Local Housing Agency Bond Financing to Facilitate the Sale of Affordable Housing Properties," was adopted on March 15, 1990, authorizing the RTC to expend $6 million during fiscal year 1990 for commitment fees of low-interest bond money for financing RTC affordable housing properties. This policy serves as a means of maximizing the preservation and affordability of residential real property for low- and moderate-income individuals and makes use of state and local housing agency bond financing programs to facilitate the sale of such properties. This policy statement was amended in December to authorize the RTC to continue purchasing low-interest bond commitments during fiscal year 1991, with the remaining balance of the $6 million authorized for fiscal year 1990. The RTC worked with state revenue bond programs to provide nearly $190 million in financing for the affordable housing program. At yearend, $22 million had been utilized.

On August 10, the RTC Oversight Board gave approval for the acceptance of offers as low as 80 percent of the market value of property from lower-income purchasers (at or below 80 percent of area median income), and gave discretion to accept offers from moderate-income purchasers (earning 81 percent to 115 percent of area median income). In implementing this authority, the RTC will take into account both its goal of maximizing recovery from asset sales and that of preserving the availability and affordability of residential real property for low- and moderate-income individuals.

On August 21, 1990, the RTC Oversight Board and the RTC issued a "final rule" that created and expanded home ownership and rental housing opportunities for low- and moderate-income persons through the RTC's Affordable Housing Disposition Program. According to the final rule, qualified individuals, families, non-profit organizations, and public agencies are given an exclusive opportunity to bid on properties for sale under the RTC's affordable housing program.

To facilitate affordable housing sales, the RTC Oversight Board approved a maximum of $250 million to be made available for seller financing of affordable housing properties. Seller financing will enable many individuals who could not qualify for or find standard financing to purchase affordable housing properties.

In October, guidelines were issued for selling eligible single-family properties under the program that are listed with clearinghouses. Clearinghouses serve an important function in the affordable housing program, and these guidelines streamline the sales process.

The RTC Oversight Board also approved guidelines for the RTC to offer real estate to public agencies and non-profit organizations to be used for public purposes such as day care and housing for the homeless. This conveyance guideline allows the RTC to evaluate properties to determine their recovery value. Under the program, a property may become eligible for conveyance if the net estimated recovery value does not justify paying the property's holding and marketing costs. At yearend, 11 of the 57 available properties had been conveyed.

During 1990, 192 affordable housing units were sold to three separate state housing agencies. Sixty-four duplexes with 128 units were sold to the Central Texas Mutual Housing Agency for $3.8 million. Two single-family dwellings were sold to the City of Houston, a local urban homesteading agency, for a total of $50,000. The Southeast Texas Housing Agency purchased 62 single-family homes for a total of $444,900.

At yearend, 7,913 affordable housing properties had been listed with clearinghouses. Of those, 7,628 were single-family homes. Thirty-six percent of the single-family properties listed, or 2,728 homes, were sold through the program, with an average sales price of approximately $36,694. Of the total properties listed, 287, or 3.6 percent, were multifamily properties, containing 35,000 housing units. Nine properties, or 3.1 percent of the multifamily properties listed, containing 507 units, were sold by yearend, with net sales proceeds representing nearly 92 percent of the total appraised value.

Contract Management Section

The Contract Management Section develops and implements programs involving the private sector in managing and disposing of RTC assets whenever practical and efficient. The section oversees the contract award process to ensure adequate competition and participation of businesses owned by women and minorities.

As part of the overall contracting program, the section prepared the first RTC seminar instructing the private sector on "How to Work with the RTC," scheduled for spring 1991. The section also drafted the RTC's standard Selection and Engagement Procedures to be utilized nationwide, which will be finalized in early 1991.

As part of its duties, the section develops and administers the Contractor Database System and the Contractor Registration Program, both of which have been important tools in screening and engaging contractors. At yearend, 40,532 firms were registered in the RTC Contractor Database. The database allows the RTC to access contractor and contract award data for management and Congressional reporting. At yearend, 10,590 contract awards had been made.

The section also ensures that minority- and women-owned firms are given the opportunity to participate fully in all contracting activities that the RTC enters into for the goods and services required to manage and dispose of assets acquired from failed savings associations. At yearend, 10,008 women- and minority-owned firms were registered with the RTC to provide services, and 2,129 contracts had been awarded to such firms.

The section includes an asset operations group, which develops and implements asset management information systems. These systems provide comprehensive and concise financial and management analysis and reporting on the results of asset disposition.

Contractor Oversight and Surveillance Unit

The Contractor Oversight and Surveillance Unit was created in late 1990, and will be operational in early 1991. The unit will plan, direct, coordinate, and evaluate RTC activities associated with the surveillance and monitoring of private sector asset managers and other contractors providing asset management and other services. The unit will also oversee investigations of alleged fraud, corruption, improper or prohibited activities, and other violations of civil or criminal law by the private sector asset managers and other contractors. In addition, the unit will establish national policy and coordinate all activities performed by each subordinate regional office. ■

RTC Operations

Resolutions and Operations Division

The Resolutions and Operations Division operates insolvent savings associations in the RTC's conservatorship program while determining, and ultimately executing, their most cost-effective resolution. The division has two groups in Washington, D.C., Operations and Resolutions, as well as extensive operations in the four regional offices.

Operations Group

The Operations Group manages and oversees conservatorships, pays off insured deposits, and investigates fraud and other abuses. The overall goal is to protect insured depositors and preserve the thrifts' assets while preparing the institution for resolution. Comprising the group are the Conservatorship Operations Branch and the Investigations Branch.

• ***Conservatorship Operations Branch***

The Conservatorship Operations Branch (Conservatorship Operations) develops policies and procedures for the nationwide conservatorship program that ensure compliance with applicable laws, the RTC Oversight Board's objectives, and the RTC's goal of minimizing the costs and risks to the general public. The RTC's four regional offices provide day-to-day guidance to individual conservatorships in implementing these programs, policies and procedures.

To maintain public confidence in the deposit insurance system, when a payoff of insured deposits is required, Conservatorship Operations ensures that accurate insurance payments are distributed as quickly as possible. The branch also develops programs that protect the value of conservatorships' assets and facilitate the disposition of those assets in preparing for resolution. In addition, the branch supports the efficient closing of insolvent institutions and subsequent settlement and claims activities.

Conservatorship Operations plans and negotiates with other government regulators, government-chartered investment agencies, industry representatives, public interest groups, and others to effectively resolve issues, maintain consistency, and coordinate joint activities. The branch also monitors compliance with established policies, tracks progress in achieving goals, evaluates efficiency, and reports program activities.

Institutions in Conservatorship
Through 1990, the RTC managed 525 institutions in the conservatorship program. When the RTC was established in August 1989, Conservatorship Operations immediately assumed responsibility for 262 conservatorships from the FDIC. Since that time, 346 conservatorships have been resolved, leaving 179 in the program at yearend. (An additional

6 thrifts never placed in conservatorship were resolved in 1990, bringing the total number of resolutions through 1990 to 352.)

At the beginning of 1990, the RTC was managing 281 thrifts in conservatorship. During the year, an additional 207 thrifts were placed into conservatorship, while 315 thrifts were resolved, including the 6 institutions never placed in conservatorship.

Downsizing Conservatorship Institutions
The RTC prepares conservatorships for resolution by "downsizing" the institutions — curbing unnecessary lending, reducing costs, and selling assets. The rapid, cost-effective sale of conservatorship assets has been a continuing focus of the branch.

Reducing a conservatorship's assets is instrumental not only in preparing the institution for a smooth resolution, but also in accelerating the payment of claims to creditors of the failed institution. In addition, it lessens dependence on the Department of the Treasury to fund RTC operations.

The branch uses the expertise of market professionals to maximize the value of complex assets and to market them effectively. Working with financial advisors, related government agencies, and others, Conservatorship Operations negotiated several major agreements that streamlined marketing efforts for mortgage servicing rights and tax-exempt bonds in 1990.

Conservatorship Asset Sales and Other Reductions
During 1990, approximately $32.7 billion in assets were sold from conservatorship institutions. Other book reductions in assets totaled over $27.9 billion, essentially resulting from payments on maturing securities and the amortization and prepayment of mortgages.

The following charts show the number of RTC conservatorships and resolutions:

Conservatorship Institutions in 1989 and 1990

	Conservatorships Established	Resolutions
Pre-FIRREA 1989	262	
Post-FIRREA 1989 (8/9-12/31)	56	37
1990	207	309*
Total 1989-90	525	346*

*Does not include 6 non-conservatorship institutions resolved in 1990.

Institutions in Conservatorship in 1990

	Number of Conservatorships
Beginning of 1990	281
New Conservatorships	207
Resolved Conservatorships	309*
End of 1990	179

*Does not include 6 non-conservatorship institutions resolved in 1990.

Sale of Mortgage Servicing Rights
Savings institutions originate mortgage loans that may be then sold to other investors, such as Fannie Mae, Freddie Mac, and the Government National Mortgage Association (Ginnie Mae). For a fee, the institutions generally retain the servicing rights to those loans, collecting monthly payments from the borrowers and making remittances to the investors. These servicing rights are a valuable commodity to a number of firms that are willing to pay a percentage of the unpaid principal balance of the loans to obtain them.

Prior to the passage of FIRREA, the FDIC held discussions with Fannie Mae, Freddie Mac, and Ginnie Mae representatives concerning the impact of the conservatorship program on the portfolios that were owned by these agencies and serviced by troubled institutions. As a result of the discussions, a decision was made to retain the services of two financial advisory firms to assist the FDIC in determining policies regarding the portfolios.

Institutions transferred to the RTC's control in August 1989 had servicing rights of approximately $55 billion in unpaid principal balance. The RTC established procedures for an orderly disposition process and was successful in selling approximately $2 billion of these servicing rights by the end of 1989.

In 1990, the RTC acquired a total of 412 mortgage servicing portfolios with an unpaid principal balance of approximately $157 billion. During the year, a total of 196 portfolios were sold with an unpaid principal balance of approximately $37 billion. The RTC received approximately $477 million, or 1.28 percent of the unpaid principal balance.

Early in the sales process, the branch's staff in Washington, D.C., assisted by the financial advisors, coordinated the disposition effort. As the regions hired staff, much of the disposition responsibility was moved to the regions.

The following chart shows the net book value for 1990 asset sales and book reductions from conservatorships grouped by major asset type:

1990 Conservatorship Asset Sales and Reductions

(dollars in millions)

Asset Type	Sales	Other Book Reductions	Total Assets
Securities	$ 21,483.9	$ 13,583.4	$ 35,067.3
Mortgage Loans	6,493.3	9,851.8	16,345.1
Other Loans	2,152.8	4,014.7	6,167.5
Real Estate Owned	1,720.0	37.3	1,757.3
Other Assets	894.8	481.1	1,375.9
Total	**$32,744.8**	**$27,968.3**	**$60,713.1**

Note: "Securities" include investment-grade securities and mortgage-pool securities. "Other loans" include commercial, consumer, and student loans. "Real estate owned" assets consist of repossessed residential and nonresidential real estate and land. "Other assets" include a wide array of assets, such as real estate held as investment, some types of mortgage servicing rights, office equipment, and subsidiary companies of controlled institutions.

The RTC developed standardized documents to sell and transfer servicing rights, which are unlike any other asset handled by the RTC. A standard broker agreement was developed to obtain the services of qualified brokers to assist in analyzing, evaluating, marketing, and selling mortgage servicing rights. With this standard agreement, managing agents could obtain appropriate broker services more easily. In addition, the RTC's requirements for all brokers interested in marketing mortgage servicing portfolios were standardized.

A standard purchase and sales agreement for mortgage servicing rights, incorporating customary representations (reps) and warranties, was also adopted. Standardizing the agreement and indemnifying buyers against losses from breaches of those reps and warranties have significantly increased the value of the servicing rights and their marketability. Implementing reps and warranties, backed by the RTC and conforming to industry standards, was a major achievement, enhancing the RTC's reputation as a market player.

To support the reps and warranties adopted in the standard purchase and sale agreement for mortgage servicing rights, Conservatorship Operations issued a competitive bid solicitation to hire a private sector contractor to administer breach notices and pay related claims.

Tax-Exempt Bond Sales
Between 1981 and 1986, savings and loans were involved in $12 billion to $15 billion in tax-exempt bond financings, most of which funded low-income housing projects. By the end of 1990, the RTC was responsible for approximately $3 billion in assets financed by tax-exempt bonds. The RTC is developing a program to identify, evaluate, and resolve issues related to the disposition of these assets, including how to maximize value by preserving the tax-exempt feature of the financing. These options also serve the interests of the bondholders and provide for continued affordable housing. Strategies continue to be developed aimed at stabilizing the portfolio, reducing holding costs, and expediting asset disposition. A private financial advisor was selected to assist the RTC in the management and disposition of these assets.

Subsidiary Sales
In order to track and manage subsidiary sales more effectively, a management reporting system was initiated to capture financial management information on conservatorships' and subsequent receiverships' subsidiaries. At yearend, institutions controlled by the RTC had approximately 2,000 subsidiaries.

Reducing Costs
Conservatorship Operations issued guidelines on appropriate salary structures for varying sizes of conservatorships to balance the goal of reducing executive compensation without impairing operational efficiency. A 1990 survey found that conservatorships had decreased the salary compensation of the three most highly paid executives by an average of 32 percent. An estimated $15 million was saved resulting from these salary reductions.

Insurance Protection for Depositors
Payments
During 1990, nearly 11 million depositor accounts in insolvent thrifts were protected from financial loss. Almost 9 million of these were protected as a result of the purchase and assumption of failing thrifts by financially strong institutions. Approximately 1.6 million insured depositor accounts were transferred from insolvent thrifts to other institutions in insured deposit transfer transactions. When these types of resolutions were not possible and the thrifts were closed, "payout" checks totaling almost $6 billion were distributed to 323,000 depositors for their insured funds.

Settlement Task Force
The RTC established a national task force to develop a standard nationwide set of systems and procedures to maximize efficiency in processing and tracking deposit

insurance payments and claims. The group has coordinated major enhancements to the Automated Grouping and Automated Payout Systems to expedite the rapid payment of insurance to the public. The task force is also developing systems to facilitate and oversee quick and accurate settlement with acquirers of insolvent institutions.

SAIF/BIF Uniform Regulations
Conservatorship Operations worked with the FDIC in developing and implementing uniform rules for the Savings Association Insurance Fund (SAIF) and the Bank Insurance Fund (BIF). Brochures and notices were prepared to inform the public of changes in the consolidated insurance of accounts regulations.

The following chart summarizes RTC advance activity for the year:

1990 RTC Advance Activity - Principal Amount Only

(dollars in millions)

	Total	Conservatorships	Receiverships
Beginning Balance	$11,046.5	$10,077.0	$ 969.5
PLUS: New Advances Made	18,280.3	16,678.5	1,601.8
LESS: Repayments	(6,579.3)	(1,332.0)	(5,247.3)
TRANSFERRED: at Resolution	0.0	(16,376.7)	16,376.7
Ending Balance	$22,747.5	$ 9,046.8	$13,700.7

Payment of Creditor Claims
General Trade Creditor Claims
During 1990, policies were issued clarifying priorities and procedures for the payment of claims of general trade creditors against failed institutions and RTC-controlled conservatorships. Essentially, goods or services obtained by the RTC's managing agents for conservatorships are to be paid in full within regular business billing periods. General trade creditors of former associations, however, are considered to have unsecured claims.

To ensure that creditor claims are handled accurately and expeditiously, Conservatorship Operations designed a Creditor Claims Tracking System. The branch has installed the system in all regional and consolidated offices throughout the country.

Cash Liquidating Dividends
In 1990, Conservatorship Operations developed guidelines for preparing and processing dividend cases. After analyzing a receivership's financial condition, recommendations are made for liquidating dividend payments. During the year, enough cash was accumulated through asset sales to begin making cash liquidating dividend payment in September. By yearend, 40 receiverships had paid cash liquidating dividends totaling $1.9 billion to their creditors.

By protecting insured depositors, the RTC becomes the major creditor of receiverships and obtains the largest share of the liquidating dividend payments. For the year, the recovery rates on liquidating dividends from the receiverships ranged from 11.5 percent to 71.75 percent.

Funding and Liquidity Programs

RTC Advances to Conservatorships/ Receiverships In early 1990, the branch began assuming a new, more active role in overseeing and managing the funding operations in conservatorships. The branch focused on developing policies and procedures covering liquidity, the use of RTC advances and collateral, emergency funding, and funds projections.

During the year, the RTC advanced about $16.7 billion to conservatorships for liquidity needs. The funds were used to replace high-cost liabilities and to fund the payment of maturing deposits and Federal Home Loan Bank advances as institutions were prepared for resolution.

In 1990, the RTC advanced $1.6 billion to receiverships for a variety of needs. These included the requirement to repurchase certain assets that are returned or "put back" by acquiring institutions.

RTC Advance Repayments RTC advance repayments are considered secured claims that are to be repaid in full. Like liquidating dividends, advance repayments are paid from the sale of an institution's assets.

In August 1990, the RTC began collecting repayments of advances from both conservatorships and receiverships. By yearend, over $6.6 billion had been repaid.

Funding and Liquidity Analysis, Processing, and Reporting Procedures and systems for projecting funding needs and monitoring repayments were also established to ensure that (1) borrowings did not exceed what was necessary and (2) institutions repaid advances as quickly as financial resources would permit. Specific systems and reporting requirements established during the year include: a database to project funding needs from the RTC and evaluate the liability and interest rate structure as it related to funding needs; rolling six-week liquidity projections for conservatorships to request funding amounts and indicate the purposes for those funds; and

The following chart shows the liquidating dividends and advance repayments from RTC conservatorships and receiverships:

1990 RTC Advance Repayments Liquidating Dividends

(dollars in billions)

Advance Repayments from Conservatorships	Advance Repayments from Receiverships	Liquidating Dividends	Total
$1.3	$5.3	$1.9	$8.5

quarterly and weekly repayment schedules for projecting repayments of RTC advances from receiverships and conservatorships.

Total Cash Recovery from Liquidating Assets

Liquidating dividends and advance repayments from the conservatorships and receiverships are paid from funds collected through asset liquidation. Approximately $8.5 billion was distributed in 1990 to repay RTC advances and to pay cash liquidating dividends.

Resolutions and Closings

Policy Development and Guidance

Once the RTC Board has authorized the resolution of a failed institution, staff from a number of different operational areas are called into action to:

- facilitate the transfer of the institution to the acquiring entity;
- provide timely payment of insurance to depositors, if necessary;
- establish and administer a process for payment of creditor claims;
- ensure proper accounting for the transaction; and
- monitor compliance by all parties with the terms of the resolution agreement.

In 1990, one of the RTC's most difficult challenges was to put in place the staff and operational controls needed to handle an unprecedented level of resolution activity. To meet these objectives, competent staff were recruited and trained, and operating policies and procedures were established to guide field staff in the resolution activity. To monitor the progress and effectiveness of field staff, information systems and programs were established.

Option to Repurchase Assets

To facilitate the resolution process, the RTC may allow putback options to institutions that are acquiring assets, permitting the acquirers to return a portion of the assets to the RTC for repurchase after a specified review period. During 1990, the RTC transferred approximately $53 billion in assets to acquirers. Of those assets, approximately $32 billion, or 60 percent, contained putback options for repurchase by the RTC. By yearend, the RTC had repurchased $13 billion, or 42 percent, of the assets with putback options; acquirers had retained $9 billion in assets. The estimated value of the assets that remained subject to repurchase at yearend was $10 billion. Conservatorship Operations developed the Asset Repurchase Tracking System to monitor the assets subject to repurchase and to project cash-flow needs.

Uninsured Deposits Reporting

In 1990, Conservatorship Operations developed and implemented a reporting system to track the volume of uninsured deposits at new conservatorships and at those identified by the RTC as a payout or insured deposit transfer.

• *Investigations Branch*

FIRREA gave the RTC authority to bring civil—but not criminal—actions against individuals for negligent or fraudulent conduct causing losses to the thrift industry. In December 1989, the RTC established the Investigations Branch to oversee investigations and civil recovery actions for money damages and restitution against the directors, officers, and other professionals associated with failed institutions.

During the first full year of its existence, the Investigations Branch concentrated on staffing the four regional and 14 consolidated offices with personnel experienced in financial investigations of thrifts and banks, and other specialists. They include accountants, attorneys, appraisers, law enforcement agents, securities and commodities brokers, and former lending and operations officers.

In-service training was provided to investigative staff at all levels to familiarize them with RTC investigative policies and procedures;

define the unique problems, schemes and transactions that are frequently found in thrift failures; and increase individual investigative skills in the specialized claim areas—blanket bond, director and officer liability, and professional malpractice.

In addition to developing the administrative structure and training staff, the branch concentrated on the following areas during 1990:

- completing a preliminary investigative review of each thrift institution under the RTC's authority;
- prioritizing cases deserving full investigative attention, with a close watch on statute-of-limitation constraints;
- assigning specific staff at all investigative sites to coordinate criminal investigations with U.S. Attorneys' offices and the Federal Bureau of Investigation (FBI) and to monitor the submission of criminal referrals;
- developing standardized formats for preliminary findings reports, plans of investigation, case review work plans, and solicitations and task orders for contracting;
- establishing task forces or working groups to foster standardization in several other crucial areas;
- developing and installing a nationwide information system for tracking all investigations in RTC-controlled thrifts (at yearend, this tracking system was approximately 80 percent completed for on-line operation nationwide); and
- developing a criminal referral data base for maintaining the status on the top 100 criminal cases.

Coordination with Other Government Agencies

The Department of Justice is responsible for prosecuting criminal conduct committed by insiders and parties related to RTC-controlled savings associations. RTC investigators work closely with the FBI, U.S. Attorneys' offices, and the U.S. Secret Service to provide the necessary documents, work papers and, in some cases, expert testimony needed to prosecute criminal conduct in a failed thrift. Each RTC site has a criminal investigations coordinator who is responsible for coordinating requests for documents needed in a criminal case and keeping communication open among the various agencies involved. The criminal investigations coordinator acts as a liaison, attends the local Bank Fraud Working Group meetings, and follows up on the status of major criminal referrals.

The RTC has been coordinating its investigations of securities issues with the Securities and Exchange Commission's Savings and Loans and Banking Unit, Enforcement Division. This interagency cooperative effort has been extremely helpful in the Drexel Task Force investigation. It has also assisted in other criminal securities investigations relating to insider trading and securities fraud involving material misstatement of financial condition, omissions, misrepresentation, and excessive commissions and fees.

On December 17, 1990, the RTC and other member agencies of the National Bank Fraud Working Group agreed to coordinate actions to recover losses to financial institutions and to seek civil penalties and restitution for crimes committed against financial institutions. Using FIRREA and the Crime Control Act of 1990, the RTC and other agencies can choose from an array of civil remedies designed to punish the perpetrators of fraudulent conduct against financial institutions, including:

- restitution and recovery actions brought by the RTC and the FDIC as receiver, conservator, or liquidator;
- administrative civil money penalty actions or restitution actions brought by the regulator;

- civil forfeitures;
- SEC sanctions; and
- civil penalties brought by the Department of Justice under Section 951 of FIRREA.

Under this agreement, the agencies pledged to cooperate in choosing the most effective remedy to:

- maximize the recovery of monies obtained through criminal conduct,
- sanction wrongdoers,
- allocate government resources so that litigation is conducted efficiently, and
- secure the quickest and most effective relief in each case.

Organization and Staffing

The Investigations Branch in Washington oversees and coordinates the RTC's nationwide investigative program. Investigators are organized into departments and are assigned to the 14 consolidated field offices reporting to an Assistant Director for Investigations in each field office. Senior Investigations Specialists in the regional offices oversee the field investigations and provide policy guidance, training, and investigative support.

At the beginning of 1990, the Investigations Branch staffed two employees in the Washington office, a Senior Investigations Specialist in charge at three of the four regional offices, and a skeleton force of investigators in the field who had been transferred to the RTC from the FDIC. By yearend, the Investigations Branch employed 361 investigators and support staff nationwide, with 34 vacancies in the process of being filled.

The Investigations staff is supplemented by private investigators and accountants who are used to develop cases, support litigation, and provide specialized skills to complex investigations.

The Investigations Branch's primary goal in 1991 is to move cases along rapidly toward successful recoveries. To achieve this, the branch must ensure outside resources are qualified and engaged to support professional liability claims. In 1991, investigators will initiate more civil fraud cases against common borrowers and focus resources on developing claims against securities brokers.

Case Management

The branch investigates each thrift under the RTC's control to determine potential civil recoveries and whether criminal conduct was involved in the thrift's failure. At the beginning of 1990, the RTC had resolved 37 thrifts and was managing 281 thrifts in conservatorship. By yearend, 352 thrifts had been resolved and 179 thrifts were in conservatorship, totaling 531 institutions for which the Investigations Branch had already conducted or was about to conduct preliminary investigative reviews. Preliminary Findings Reports were completed on 489 institutions, or 90 percent of the thrifts, by yearend.

In July 1990, a quarterly case review process was established to aid in managing the investigations caseload and in allocating investigative resources.

The investigation of each institution could result in up to six potential civil liability claims as well as criminal referrals. The civil liability areas are: (1) fidelity bond, (2) director and officer liability, (3) accountant liability, (4) attorney malpractice, (5) appraiser malpractice, and (6) securities and commodities broker malpractice. Of the 531 savings associations under the RTC's control, all civil liability investigations in 38 thrifts had been closed, indicating that the preliminary investigative review did not find any pursuable fraud, negligence, or misconduct as the cause for the failure of the institution. In the remaining 493 institutions, the branch had 2,098 open claims under investigation.

Civil Claims and Lawsuits

By yearend, the RTC had brought or inherited from the institutions under its control 83 lawsuits against directors, officers, and professionals who may have contributed to the failure of a thrift. During 1990, no case reached the point of an issued judgment; however, nine claims were settled with the defendants, resulting in the recovery of $14,193,000.

The RTC follows a policy of engaging in only cost-effective litigation; thus, unless sufficient assets are identified, litigation will not be pursued. Other enforcement methods may be appropriate, however, including referral of a case to the Department of Justice for criminal prosecution or enforcement of the civil penalty and forfeiture provisions established by FIRREA. The Office of Thrift Supervision may also take action to prohibit insiders and professionals from future employment in the financial industry, and may obtain orders to freeze the assets of individuals under investigation.

The Drexel Burnham Lambert Group, Inc.

The RTC and the FDIC, in their corporate capacities as conservator and/or receiver, filed a $6.8 billion consolidated proof of claim on November 14, 1990, against The Drexel Burnham Lambert Group, Inc. in United States Bankruptcy Court for the Southern District of New York. The filing accuses Drexel and its co-conspirators of a wide range of illegal conduct, including coercion, extortion, bribery, and misrepresentation of the value and liquidity of junk bonds underwritten by Drexel.

Lincoln Savings and Loan Association Irvine, California

The RTC, in its capacity as conservator for Lincoln Savings and Loan Association, F.A. (Lincoln Savings), Irvine, California, filed a civil complaint against a number of defendants including Charles H. Keating, Jr., former Chairman of Lincoln Savings. The suit charges the defendants with violating both state and federal racketeering laws. In addition, the suit alleges common law fraud, civil conspiracy, breach of fiduciary duties, and gross negligence. The amount of the suit is $1.716 billion. In August 1990, the Office of Thrift Supervision filed administrative charges against Keating and five other officials, seeking $40.9 million.

The following chart shows the type and number of open claims under investigation by the Investigations Branch at yearend 1990:

Number of Claims	
Fidelity Bond	102
Director and Officer Liability	424
Accountant Liability	317
Attorney Malpractice	333
Appraiser Malpractice	351
Securities and Commodities Broker Malpractice	571

CenTrust Savings Bank
Miami, Florida

The RTC, in its capacity as conservator for CenTrust Savings Bank (CenTrust), Miami, Florida, filed a complaint against a number of defendants, including David L. Paul, former Chairman, and former directors and officers of CenTrust, for breach of their fiduciary duties to CenTrust. The claim charges the directors and officers with, among other things, wasteful expenditures, including artwork totaling more than $29 million; and excessive salaries, bonuses, and dividends. The directors are also being charged with permitting certain junk bond investments that resulted in massive losses for CenTrust, estimated to be as much as $250 million.

Civil Recovery Tools

To maximize the recovery of assets at the least possible cost to taxpayers, a cooperative arrangement has been established with the Civil Division of the Department of Justice, OTS, and the FDIC. Under this arrangement, allocation of responsibility for bringing civil actions is based on the most effective and efficient division of labor and the most appropriate use of the array of available civil remedies.

Using these tools, in early July 1990 a coordinated effort by the Internal Revenue Service, the Federal Bureau of Investigation, and the RTC resulted in the seizure of $3,249,279 from NCNB Texas, Harlingen, Texas. According to the Complaint and Seizure, the President of Valley Federal Savings Association, McAllen, Texas, allegedly misappropriated funds and placed them in NCNB after Valley had been taken over by the RTC. Currently, four other civil forfeiture cases are being worked jointly with Department of Justice.

In the CenTrust case, where massive taxpayer losses are estimated, the former chairman and principal shareholder of CenTrust, David L. Paul, is the primary focus of both the RTC and the Office of Thrift Supervision. OTS has a temporary cease and desist order against David Paul, requiring him to post security in the amount of $30.8 million. The RTC filed a complaint in the U.S. District of Florida on November 9, 1990, charging Paul and 15 other former officers and directors of CenTrust with breaches of fiduciary duty, waste, and mismanagement, and asking the federal district court to order the defendants to repay damages in excess of $250 million.

Criminal Referrals and Prosecutions

During the Investigations Branch's first year of operation, the suspected criminal conduct found during the preliminary investigative reviews remained at approximately the same level. By yearend, 276 thrifts, or 52 percent of the 531 institutions placed under the RTC's control, had criminal referrals forwarded to the Department of Justice. Total referrals numbered 1,320, or an average of 5 referrals per institution.

The Department of Justice announced in late 1990 that more than 500 defendants had been charged and more than 350 individuals had been convicted in major savings and loan fraud cases. A case is considered "major," by Department of Justice standards, if (a) the amount of fraud or loss is $100,000 or more; (b) the defendant is an officer, director, or owner (including shareholder) of the institution; or (c) the schemes involve convictions of multiple borrowers in the same institution.

Estimate of Fraud and Criminal Conduct in RTC Thrifts

Based upon preliminary reviews of RTC-controlled institutions as of December 31, 1990, about 52 percent of the thrifts had suspected criminal conduct referred to the Department of Justice; and fraud and potential criminal conduct by insiders contributed to the failure of about 41 percent of the thrifts.

The government's policy in early 1989 was to take charge of the worst institutions first. Those with massive losses and/or known fraud, criminal conduct, and serious insider abuse were taken under the RTC's control as quickly as possible. As new thrifts come under the RTC's control over the next few years, a trend toward less criminal conduct is likely, both in magnitude and number of referrals.

RTC Priority Criminal Cases "Top 100"

A priority list of 100 "top" criminal cases was compiled in June 1990 by representatives of the Office of Thrift Supervision, the FDIC, and the RTC. Sixty of the cases are currently under the RTC's control. The list was developed to focus the Department of Justice's attention on the thrift cases that, in the view of the regulators, represented the most egregious criminal violations. As a result, the Department of Justice assigned additional resources to many of the cases. The RTC responded by focusing its resources on developing additional criminal referrals, tracing funds, producing documents, and otherwise assisting the FBI and U.S. Attorneys.

Among the top 100 are the following RTC cases:

Pima Savings and Loan Association
Tucson, Arizona

Brookside Savings
Los Angeles, California

Lincoln Savings and Loan Association
Irvine, California

Westport Savings Bank
Hanford, California

Commonwealth Savings and Loan Association
Fort Lauderdale, Florida

Peoples Heritage Savings and Loan Association
Salina, Kansas

Midwest Federal
Minneapolis, Minnesota

United Savings Bank
Paterson, New Jersey

The following chart shows the approximate figures of RTC-controlled savings and loan prosecutions as of December 31, 1990:

Prosecutions	
Information/Indictments	173
S&Ls Victimized	62
Defendants Convicted	80
Prison Sentences	(total) 145 years
Fines Imposed	$ 1,087,600
Restitution Ordered	$16,391,853

Caprock Federal Savings and Loan Association
Lubbock, Texas

General Savings Association
Henderson, Texas

Meridian Savings Association
Arlington, Texas

Peoples Savings and Loan
Llano, Texas

Security Savings Association
Texarkana, Texas

Sunbelt Savings Association
Dallas, Texas

Trinity Valley Savings and Loan Association
Cleveland, Texas

Vernon Savings and Loan
Vernon, Texas

Background Checks and Contractor Verification

FIRREA sets standards of competence and integrity for individuals intending to perform contract services for the RTC. The RTC has issued a regulation entitled "Qualifications of Ethical Standards of Conduct for, and Restrictions on the use of Confidential Information by Independent Contractors," 12 CFR Part 1606. Prospective contractors must self-certify that they are in compliance with these standards, including the absence of any felony convictions—one of FIRREA's most fundamental standards.

In addition, the Investigations Branch implements other safeguards, including background checks, to screen prospective contractors and individuals seeking to provide services for the RTC. Background checks are provided for two specific groups:

- RTC and conservatorship employees and
- contractors (officials of the contracting firm and the individuals designated to work on the specific project).

The RTC works primarily with Treasury's Financial Center (FINCEN), the Federal Bureau of Investigation, the U.S. Secret Service, regulatory agencies, and private investigative firms to conduct comprehensive criminal history and background checks on organizations and individuals to be employed or hired by the RTC. Extensive data bases and other resources are available in-house.

The RTC also routinely consults the OTS (CIIS System), the Office of the Comptroller of the Currency, the Federal Reserve System, and the FDIC's Financial Institutions Investigative and Enforcement Records System for additional information. Records from the SEC and the National Association of Securities Dealers (NASD) are examined when a securities background is required. SEC records are regularly checked through FINCEN, when available. The RTC is also establishing links with other sources, such as the Department of Housing and Urban Development and Fannie Mae, for additional background information.

Prescreening RTC contractors through background checks is essential to preserving the integrity of the contracting process. Background checks serve two primary purposes: (1) to deter those with criminal backgrounds and regulatory or statutory bars from applying for RTC contracts, and (2) to permit the RTC to identify those people who may have falsified responses to RTC staff in their self-certifications and contract proposals.

The RTC gains maximum effectiveness from background checks by completing them prior to contract awards. If a problem discovered through a background check can be corrected by the contractor prior to the award, the contract can go forward without delay. Furthermore, the RTC can feel reasonably comfortable that the contractor and the project team will perform in a responsible manner. The preaward stage of the contract process offers the RTC its maximum leverage to structure the project team in an appropriate manner.

At yearend, the Investigations Branch had completed background verifications for 1,569 RTC employees and 182 potential contracting firms, including 1,676 key individuals of the firms.

Investigative Services Contracted Through the Private Sector

In the latter half of 1990, the Investigations Branch began hiring qualified private contractors to assist in the investigation of certain aspects of potential civil claims. For example, contractors have been used to search for hidden assets of culpable individuals to assess the economic feasibility of a civil suit. Other services provided by private contractors include engaging in detailed document organization and review, organizing related facts and allegations, and preparing evidentiary materials and exhibits in specialized areas such as accounting malpractice or securities fraud. The RTC field offices have used outside contractors to supplement the number of investigators available to pursue high-priority cases quickly and to provide specialized expertise in very complex cases. During the year, outside investigators, accounting firms, and securities/commodities specialists assisted with 93 separate cases in 77 institutions nationwide.

Resolutions Group

The Resolutions Group is a marketing organization charged with the sale of insolvent savings institutions and/or their deposits. In addition to thrifts placed into conservatorship, the group resolves thrifts in the Accelerated Resolution Program (ARP), while working closely with the Office of Thrift Supervision. The group's fundamental goal is to minimize the cost to the taxpayers in meeting the U.S. Government's "full faith and credit" obligation to insured depositors. Additional goals of the Resolutions Group include:

- assuring the public of the highest level of integrity in every stage of the resolution process;
- speeding the resolution process to return the depositories and associated assets to the private sector at the earliest date;
- maintaining public service by avoiding the liquidation of institutions wherever practicable; and
- meeting certain institution-specific goals, such as attempting to retain the ethnic identity of ownership at insolvent institutions previously owned and/or operated by minorities.

During 1990, the RTC resolved 315 thrifts (compared to 37 that were resolved during the RTC's first five months of operation, August through December 1989). The 315 thrifts were headquartered in 40 states and the Commonwealth of Puerto Rico, and held a total of $95.7 billion in deposits, 99.7 percent of which were insured by the government.

The deposits were contained in 9.8 million deposit accounts and serviced by 2,362 banking offices located in 42 states. Only Delaware, Hawaii, Montana, New Hampshire, Rhode Island, South Carolina, South Dakota, Vermont, and the District of Columbia did not have one or more deposit-taking office sold or closed by the RTC during 1990.

Eighty-five percent of the thrift resolutions (94 percent of all deposits) resulted in continuation of service to depositors and their communities. Healthy financial institutions acquired the institutions, their branches, and/or associated deposits. In the 268 cases where the RTC was able to avoid a payoff, taxpayer savings were estimated at $1.425 billion, compared to the projected cost of simply closing down all of these thrift institutions.

Resolution Types

The RTC executes three types of resolutions of failed savings institutions to discharge the government's full faith and credit obligation for insured deposits — (1) purchase and assumption transaction, (2) insured deposit transfer, and (3) insured deposit payoff. The most costly type of resolution is a payoff, followed by an insured deposit transfer and a purchase and assumption transaction, respectively. Institutions that are paid out generally have a poor deposit base (attracting no acquirer interest), a greater negative net worth balance, and poor asset quality. The "cost" of a resolution is the estimated dollar amount to be spent by the RTC to cover differences between cash outlays and future net asset recoveries from the resolution of insolvent savings and loans, the shortfall representing a loss to the RTC. This loss consists primarily of the negative net worth of the insolvent institution plus losses from asset sales, reduced by acquirer premiums.

Purchase and Assumption Transaction

The preferred resolution is a "purchase and assumption" (P&A) in which the acquirer purchases some or all of the assets of the failed thrift and assumes some or all of the liabilities, including all insured deposits. As part of a P&A transaction, the acquiring institution usually pays the RTC a premium for the assumed deposits, decreasing the taxpayers' total resolution cost.

For 1990 P&A transactions, premiums totaled $1.25 billion. Premiums for individual deposit portfolios ranged from less than $1,000 to $162 million, averaging 2 percent of the institutions' core deposits (those deposits in accounts with balances under $80,000 that are not generated through outside brokers). Premiums paid to the RTC ranged from below 1 percent to more than 8 percent.

In a P&A transaction, if the acquiring institution does not keep the deposits in the Savings Association Insurance Fund (SAIF), it must pay "exit fees" to SAIF and "entrance fees" to the Bank Insurance Fund (BIF). In 1990 the exit and entrance fees paid to the two funds in connection with RTC transactions totaled over $155 million.

As part of a P&A transaction, the acquirer purchases assets at a mutually agreed-upon price. The percentage of assets transferred to the acquirer upon closing varies. During 1990, an average of 55 percent of total assets were transferred to the acquirers. A significant portion were purchased with putback options, allowing the acquirer to return the assets to the RTC within a specified period. Certain other assets are not transferred, but are subject to "call" by the acquirer for up to 18 months. Because of these factors, the percent of assets ultimately passed by the RTC to acquirers cannot be known for some time after closing. Assets not purchased (as well as those purchased but subsequently returned using the putback option) become the property of the RTC receivership that was established upon resolution. The monies received from subsequent sales are used to decrease the government's ultimate cost of resolving the thrift.

The RTC completed 172 P&A transactions during 1990, or 55 percent of all resolutions, involving $75.1 billion in deposits, or 78 percent of the total. The estimated resolution cost for P&A transactions totaled $21.1 billion, or 28.2 percent of the insured deposits in the resolved institutions.

Insured Deposit Transfer

In an "insured deposit transfer" (IDT), the winning bidder becomes the paying agent for the RTC as the insured deposits are transferred to the acquiring institution's books. An IDT is a less attractive resolution option than a P&A for two reasons. First, if exit and entrance fees must be paid to the government's insurance funds, the fees are the RTC's responsibility (up to the dollar premium received) and the cost of resolution to the RTC is increased. Second, resolution costs are increased due to the generally limited transfer of assets (only 18 percent of all assets were transferred to acquirers as part of IDT transactions in 1990). These two factors increased the resolution costs for IDTs to 47.5 percent of insured deposits in 1990, or $7.093 billion.

During 1990, there were 96 IDTs, or 30 percent of all transactions, that involved $14.8 billion in deposits, or 16 percent of the total. Although IDTs generally involve smaller institutions (64 percent of the institutions resolved through IDTs had deposits of less than $100 million), this type of resolution is available for all institutions on an "as-needed" basis. During the year, five thrifts with deposits exceeding $500 million were resolved through the IDT process. IDT premiums are generally less than premiums received for P&A transactions. In 1990, IDT premiums averaged .87 percent of core deposits, ranging from nominal premiums to nearly five percent of core deposits.

Insured Deposit Payoff
A "payoff" of insured deposits is the most costly form of resolution. The RTC receives no premium for the deposits, undertakes the processing costs for creating and mailing checks to insured depositors, and fully assumes all carrying costs involved with the holding of assets.

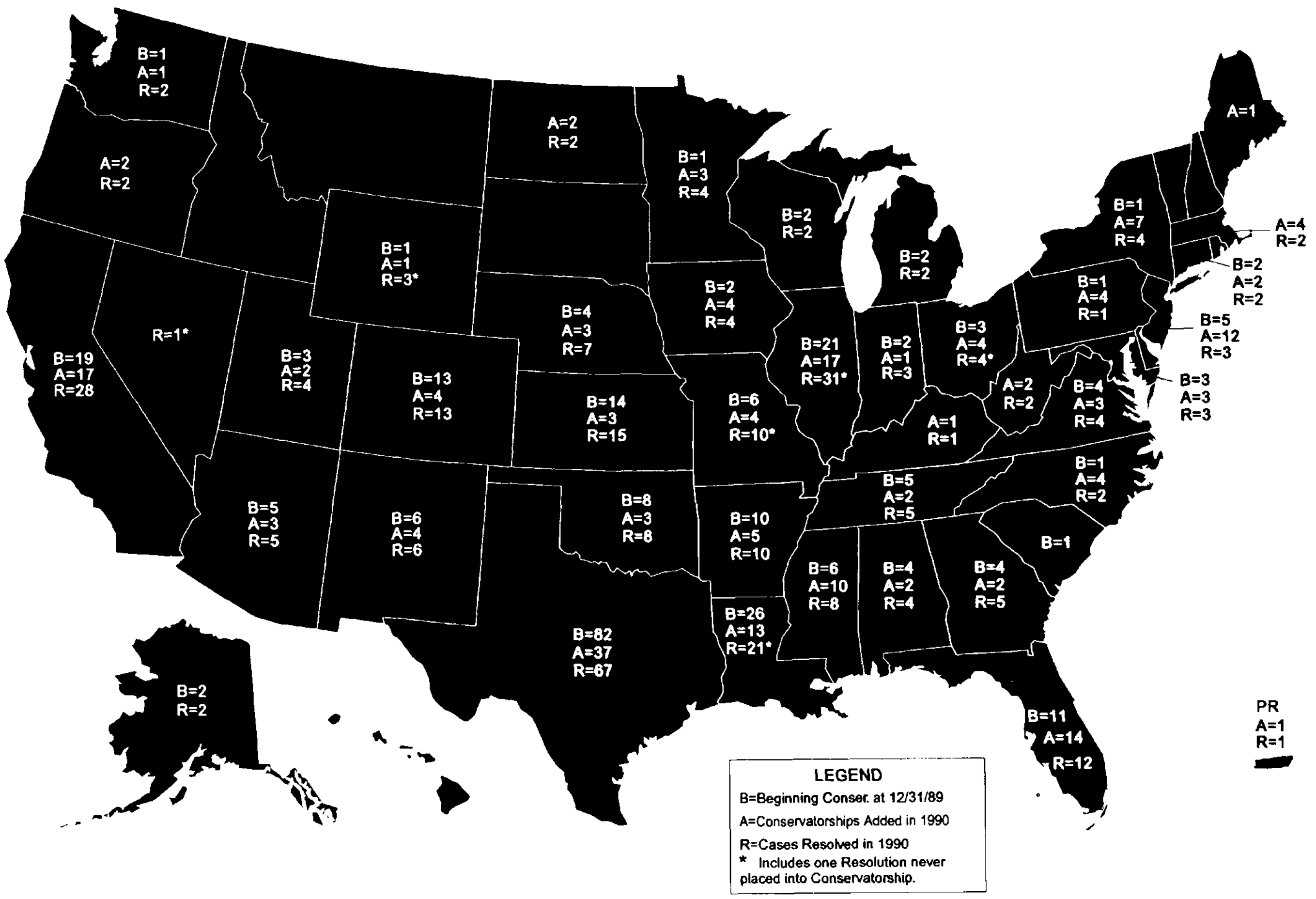
Payoffs are most likely to occur in states where the financial community is generally distressed, resulting in few local bidders. (In 1990, 60 percent of payoffs took place in Texas, Louisiana and New Mexico.) Payoffs also generally involve thrifts with limited franchise value, indicated by a high percentage of deposits in accounts with balances exceeding $80,000 and/or generated through brokers.

Forty-seven payoffs were completed during the year, or 15 percent of all resolutions. Deposits in the thrifts resolved through payoffs equalled $5.8 billion, or 6 percent of the total. Over 60 percent of payoff resolutions involved thrifts with less than $100 million in deposits; however, six of the thrifts had deposits between $250 million and $500 million. The estimated cost of the 47 payoffs was $3.349 billion, or 58.4 percent of the insured deposits in the thrifts.

National and Regional Resolutions
The Resolutions Group divides its work among the Major Case Transactions Group, headquartered in Washington, D.C., and the four regional offices. Resolution activity is conducted by on-site personnel in the regions and coordinated by the Washington-based Field Resolutions Branch. Working closely with the regions, the Washington-based organization manages the disposition of larger financial institutions, generally those with over $500 million in deposits.

During 1990, the Major Case Transactions Group completed 39 resolutions of institutions with deposits of $58.9 billion, or 62 percent of total deposits. Thirty-two were P&A transactions; seven were IDTs. Eleven major case resolutions involved multiple acquirers, including six of the thrifts with more than $1 billion in deposits. Included in the Washington group's caseload were two institutions historically owned by minority Americans. Valley Federal Savings Association, McAllen, Texas, with deposits of $530 million, was acquired by the International Bank of Commerce, Laredo, Texas, predominantly owned by Hispanic-Americans, and minority preference was extended to the acquirer. Caguas-Central of Caguas, Puerto Rico, with deposits of $1.2 billion, was acquired by the Puerto Rican subsidiary of Banco de Santander Sociedad de Madrid. Due to the non-U.S. citizenship of the majority of Banco de Santander stockholders, this transaction was not considered a "like minority" resolution, and no minority preference was given to the acquirer.

1990 RTC Conservatorship and Resolution Activity



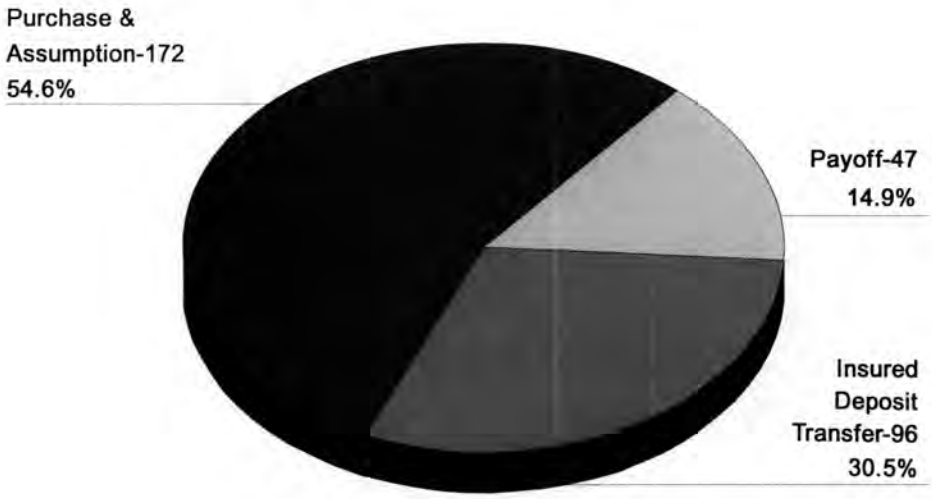
1990 RTC Conservatorship and Resolution Activity (dollars in millions)

State	Conservatorships						Balance	
	Beginning	Deposits*	Added	Deposits*	Resolved	Deposits*	Ending	Deposits*
Alabama	4	$ 1,340	2	$ 66	4	$ 1,340	2	$ 66
Alaska	2	259	0	0	2	259	0	0
Arizona	5	8,183	3	7,045	5	10,283	3	4,945
Arkansas	10	2,884	5	614	10	1,387	5	2,111
California	19	14,398	17	12,762	28	13,578	8	13,582
Colorado	13	2,239	4	982	13	2,239	4	982
Connecticut	2	192	2	101	2	192	2	101
Florida	11	3,165	14	13,380	12	7,811	13	8,735
Georgia	4	931	2	196	5	1,074	1	53
Illinois	21	3,319	17	4,616	30	4,677	8	3,258
Indiana	2	268	1	58	3	326	0	0
Iowa	2	199	4	1,378	4	322	2	1,255
Kansas	14	3,905	3	4,813	15	3,474	2	5,244
Kentucky	0	0	1	50	1	50	0	0
Louisiana	26	3,214	13	1,204	20	1,631	19	2,787
Maine	0	0	1	40	0	0	1	40
Maryland	3	1,630	3	907	3	1,630	3	907
Massachusetts	0	0	4	4,509	2	2,948	2	1,560
Michigan	2	292	0	0	2	292	0	0
Minnesota	1	2,179	3	259	4	2,439	0	0
Mississippi	6	915	10	863	8	1,196	8	581
Missouri	6	1,949	4	329	9	2,207	1	71
Nebraska	4	1,164	3	291	7	1,455	0	0
New Jersey	5	7,947	12	2,990	3	614	14	10,323
New Mexico	6	1,745	4	1,654	6	810	4	2,587
New York	1	30	7	11,439	4	8,706	4	2,764
North Carolina	1	236	4	1,295	2	690	3	841
North Dakota	0	0	2	677	2	677	0	0
Ohio	3	1,374	4	536	3	1,283	4	627
Oklahoma	8	2,032	3	471	8	1,616	3	887
Oregon	0	0	2	3,314	2	3,314	0	0
Pennsylvania	1	1,723	4	4,262	1	1,723	4	4,262
Puerto Rico	0	0	1	1,255	1	1,255	0	0
South Carolina	1	668	0	0	0	0	1	688
Tennessee	5	411	2	102	5	411	2	102
Texas	82	27,283	37	10,361	67	18,740	52	18,904
Utah	3	1,756	2	267	4	2,014	1	9
Virginia	4	606	3	1,313	4	483	3	1,436
Washington	1	1,462	1	119	2	1,581	0	0
West Virginia	0	0	2	108	2	108	0	0
Wisconsin	2	270	0	0	2	270	0	0
Wyoming	1	21	1	200	2	221	0	0
Total (42)	**281**	**$100,189**	**207**	**$94,826**	**309****	**$105,329**	**179**	**$89,685**

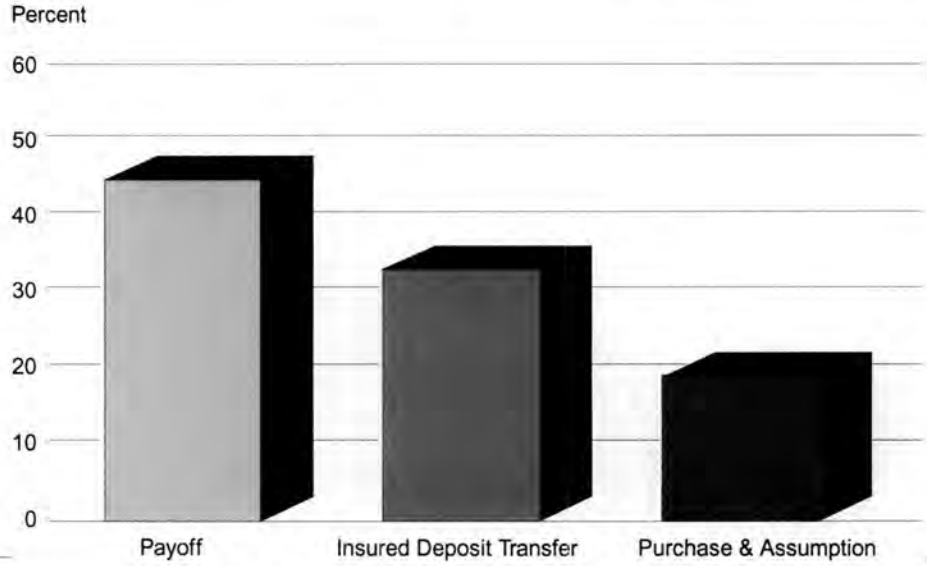
* Deposits at time of conservatorship
** Does not include 6 non-conservatorship institutions resolved in 1990

1990 Resolutions by Transaction Type

Number of Resolutions - 315



Cost of Resolution as a Percent of Liabilities at Conservatorship*



*Cost of Resolution is the estimated dollar amount to be spent by the RTC to cover differences between cash outlays and future net asset recoveries from the resolution of insolvent S&Ls, the shortfall representing a loss to the RTC. This loss consists primarily of the negative net worth of the insolvent institution plus losses from asset sales, reduced by acquirer premiums.

1990 Resolution Cost and Savings by State (dollars in millions)

State	Resolved Institutions	Resolution Cost	Estimated Savings
Alabama	4	$ 268	$ 26
Alaska	2	175	10
Arizona	5	3,201	172
Arkansas	10	619	10
California	28	1,448	191
Colorado	13	1,060	2
Connecticut	2	35	3
Florida	12	2,252	90
Georgia	5	262	10
Illinois*	31	749	119
Indiana	3	34	8
Iowa	4	47	6
Kansas	15	1,488	79
Kentucky	1	3	1
Louisiana*	21	1,049	4
Maryland	3	377	11
Massachusetts	2	900	7
Michigan	2	31	15
Minnesota	4	873	24
Mississippi	8	389	13
Missouri*	10	878	39
Nebraska	7	426	8
Nevada*	1	0	3
New Jersey	3	71	9
New Mexico	6	323	1
New York	4	1,776	90
North Carolina	2	108	10
North Dakota	2	168	3
Ohio*	4	266	59
Oklahoma	8	250	6
Oregon	2	114	112
Pennsylvania	1	333	25
Puerto Rico	1	120	42
Tennessee	5	109	1
Texas	67	10,428	223
Utah	4	487	34
Virginia	4	95	5
Washington	2	110	7
West Virginia	2	13	4
Wisconsin	2	86	1
Wyoming*	3	34	4
Total (41)	**315**	**$31,455**	**$1,487**

* Includes 1 thrift never placed in conservatorship

In 1990, the four regions and the Field Resolutions Branch completed 272 resolutions of institutions with deposits totaling $32.9 billion, representing 86 percent of all cases resolved. Of the 272 resolutions, 136 were P&As, 89 were IDTs, and 47 were payoffs. Twenty-four cases involved multiple acquirers. Twelve resolved institutions were historically owned by minority Americans, seven of which were acquired by like-minority investors. No acquirer was found for three of the thrifts, and payoffs were undertaken.

Accelerated Resolution Program

In 1990, the RTC, in cooperation with the Office of Thrift Supervision, initiated the Accelerated Resolution Program based on the premise that early intervention in a troubled thrift could create significant taxpayer savings. Under the program, troubled institutions are marketed by the RTC, the OTS, and the thrifts' management. When a buyer is found, the thrift is closed by the OTS, placed with the RTC, and immediately reopened by the buyer. Many thrifts in the program are solvent, but are failing to meet FIRREA-mandated capital levels. Participating thrifts must be perceived as having significant franchise value, and the management of the institution must agree to participate. Under this program, staff from the RTC and the Office of Thrift Supervision in Washington, D.C., as well as field staff of both agencies work closely to complete the transaction.

Nine thrifts were targeted for the 1990 pilot program. By yearend, four were resolved; one failed and was placed in conservatorship; and four were still in the program.

The 1990 results of the pilot program, involving $3.9 billion in insured deposits, were favorable. The four institutions that were resolved under the program were completed as P&A transactions. In aggregate, the cost of the resolutions was 12.3 percent of the insured deposits, far less than the cost of other resolutions during the year—29 percent of insured deposits for the other 168 P&As, and 33 percent of insured deposits for all 315 resolutions transacted in 1990.

The required net RTC funding for the four resolutions under the ARP was also less than that for typical P&A transactions. The four resolutions required funding of 23 percent of insured deposits; the other P&As required cash equal to 51 percent of insured deposits. The funding requirements were lower because the acquirers purchased 81 percent of all assets, far more than the 52 percent purchased in the other P&As. The larger asset purchases in the ARP may be attributable to the fact that the assets are more attractive than they are in an institution in the conservatorship program.

The Accelerated Resolution Program is not a panacea for the savings and loan crisis. Only a portion of the future cases that the RTC will need to handle consists of viable candidates for the program. Nevertheless, the program is significant and extremely cost-effective. A substantially larger number of resolutions under the program are projected for 1991.

Size of Resolved Thrifts

Thrifts resolved by the RTC during 1990 ranged in size from a single banking office with less than $2 million in deposits (Equity Federal Savings Bank, Denver, Colorado) to one with $6.8 billion in deposits and 105 banking offices (Empire Federal Savings Bank, headquartered in Buffalo, New York).

Thrift Sales and Acquiring Organizations

The 268 resolutions in 1990, excluding the 47 payoffs, involved a total of 311 different acquiring financial institutions. One hundred and seventy-six organizations acquired one or more of the 233 institutions (or their deposits) that were sold as "whole franchises." One hundred and forty-five institutions participated in the "branch-break-up" sale of one or more of the 35 thrifts resolved on less than a full franchise basis. Ten financial institutions participated in both types of transactions.

To place a bid on a failed RTC thrift, an investor must have charter and acquisition approval from an appropriate regulatory organization: the Office of the Comptroller of the Currency, the Office of Thrift Supervision, or a state banking authority, as well as insurance of accounts provided by the FDIC. The winning bidder is the organization presenting the least costly proposal to the RTC, provided that the total proposal cost is less than the projected cost of a payoff.

Whole Franchise Transactions
The RTC resolved 233 institutions in 1990 on a "whole franchise" basis, in which only a single financial institution was involved in the acquisition of the thrift or its deposits. These thrifts held a total of $69.1 billion in deposits and were acquired by 176 different financial institutions. Winning bidders included three of the nation's ten largest bank holding companies and three of the country's ten largest thrift holding companies. The majority of the winning bidders were, however, financial institutions with less than $1 billion in assets, including many organizations with less than $100 million in assets.

Branch Resolutions
During 1990, 11 percent of the savings and loans that were resolved, or 35 thrifts, were sold to two or more acquirers. A total of 145 financial institutions acquired one or more branches in these transactions. Seventeen of these transactions involved only two acquirers, and four of the sales involved ten or more successful bidders. The thrifts that sold as branch-break-ups had total deposits of $20.8 billion, 23 percent of all deposits not associated with thrifts that were paid out.

Six of the savings and loans with multiple acquirers were billion-dollar-plus depositories and frequently multi-state operations. Twenty-two of the branch sale resolutions had deposits under $250 million. The majority were headquartered in states with

The following is a breakdown of resolved institutions by deposit amount:

Deposit Amounts of 1990 Resolved Institutions

$ of Deposits	No. of Resol.	% Total Resol.	Total Deposits ($M)	% Total Deposits
Over $2.5 billion	8	2.5%	$33,523	35.0%
$1.00B to $2.499B	12	3.8%	$17,744	18.5%
$500MM to $999MM	16	5.0%	$10,942	11.4%
$250MM to $499MM	30	9.5%	$10,271	10.7%
$175MM to $249MM	35	11.1%	$ 7,756	8.1%
$100MM to $174MM	59	18.7%	$ 7,874	8.2%
$ 50MM to $ 99MM	74	23.5%	$ 5,373	5.6%
Under $50 Million	81	25.7%	$ 2,217	2.3%

a strong orientation toward smaller, local financial institutions, including Illinois, Kansas, Arkansas, and Iowa, which together accounted for 54 percent of all branch resolutions.

Multi-Acquirers
A number of well-capitalized financial institutions viewed the RTC resolution process as a cost-effective method to enter new marketing territories or to further increase market share in areas of current operations. After receiving approval from their regulators, 27 organizations completed two or more whole-franchise transactions with the RTC in 1990.

Great American Holding Co., parent of Kilgore Federal Savings and Loan Association, Kilgore, Texas, acquired the largest number of institutions, a total of 13 in Texas, with an aggregate of $1.967 billion in deposits. In terms of deposits, the largest acquirer was BankAmerica Corporation, which acquired eight institutions with total deposits of $12.808 billion. Other organizations completing four or more whole-franchise acquisitions included Banc One Corp. (four acquisitions, with $3.420 billion in deposits); Barnett Banks, Inc. (five acquisitions, with $1.187 billion in deposits); NCNB Corp. (five acquisitions, with $.898 billion in deposits); and Security Pacific Corp. (four acquisitions, with $6.908 billion in deposits).

In addition to these whole-franchise acquisitions, Banc One, Barnett and Security Pacific also made branch purchases during the year.

Not all multi-acquirers were multi-billion dollar institutions. Consolidated Bank and Trust Company, a Black American-owned bank headquartered in Richmond, Virginia, with assets of $62 million at the end of 1989, was the successful bidder for two small Virginia thrifts, both formerly operated by Black Americans. In Colorado, the newly chartered Mesa National Bank acquired two Grand Junction thrifts and began operations as a multi-bank holding company with seven offices and just under $200 million in deposits.

Broadening the Investor Base
A side benefit of the RTC's resolution activity has been an increase in the capital base of America's financial institutions, perceived as critical during the 1990s. While the vast majority of RTC acquirers have been previously existing financial institutions, there have been nearly a dozen "de novos" where capital, not previously dedicated to banking, was brought into the industry. From a dollar perspective, the most significant increase in capital has come from larger organizations—those that are primarily banking houses and those for which financial activities are secondary—that have utilized RTC sales to expand their market presence.

By law, the RTC may sell thrift depositories (as opposed to assets) only to financial institutions with charters from a primary regulator and insurance of accounts from the FDIC. While all acquirers have met these two criteria, the parent organizations of some of the RTC acquirers are better known for their non-banking activities. Parent corporations of winning bidders in 1990 include Household International, Inc.; Hy-Vee Food Stores, Inc.; International Brotherhood of Boilermakers; International Telephone and Telegraph Corp.; National Old Line Life Insurance Corporation; Sears Consumer Financial Corporation; Temple-Inland; and Westinghouse. The additional capital dedicated by these industrial and service organizations to their banking activities serves to further strengthen the industry.

Resolution Costs and Savings
The cost for the 315 institutions resolved in 1990 is estimated to be $31.5 billion. The final cost will not be determined until all assets associated with the institutions have been sold and the full realized value is known.

Cost to taxpayers resulting from the resolutions is estimated to be $1.4 billion less than the cost if all the resolutions had been accomplished as payoffs. With payoffs, the RTC (1) receives no premium, (2) assumes the administrative cost of closing out the insured accounts, and (3) has to carry and sell all assets.

The net RTC funding associated with the 315 resolutions was $57.1 billion. The majority of the incremental $25.6 billion over the resolution cost is expected to be returned to the RTC as the $59.1 billion (book value) of retained assets (those not transferred to acquirers as part of a resolution transaction) are sold by the RTC.

- ***Marketing Section***

The Marketing Section's role within the Resolutions Group is to generate interest among potential franchise purchasers. During 1990, the section played a major role in the presentation of ten RTC seminars held in eight states and the District of Columbia. The seminars, entitled "How To Work With The RTC," attracted 5,900 participants. While the seminars were multi-faceted, and many attendees were interested exclusively in asset purchases and/or contracting, nearly 20 percent of the participants, or 1,050 individuals, took part in separate breakout sessions detailing "How To Purchase a Savings Association."

Interest is further stimulated through the placement of advertisements in newspapers and magazines around the country, including *The Wall Street Journal* and the *American Banker*. To reach the minority community, the RTC has advertised in the Black- orientated *NBA Today*, published by the National Bankers Association. The RTC has also placed Spanish-language advertisements to promote the sale of Hispanic-American thrifts and attended seminars and trade shows targeted at minority investors.

The Marketing Section attempts to convert the leads generated by seminars, trade shows, and print advertisements into qualified potential investors carried on the RTC's National Marketing List. All federally insured financial institutions expressing interest to the RTC that are approved by their primary regulators are immediately added to the National Marketing List, maintained by the Marketing Section. The section frequently communicates with the financial institutions' regulators, who decide whether, at any given time, an organization under their regulation is able to participate in an RTC acquisition. On an on-going basis, banks, thrifts and their holding companies are added to, removed from, and readmitted to the National Marketing List as regulators complete exams and/or become aware of significant capital, management, or other changes within their regulated organizations.

Private investors and foreign financial institutions are added to the National Marketing List as they apply for and present evidence to the RTC of their ability to obtain a charter and receive insurance of accounts. Financial statements, credit bureau reports, and public information sources are reviewed for all new applicants. If the RTC believes that a private investor will be unable to obtain a charter, the investor is referred to the potential primary regulator for a definitive statement on the investor's ability to obtain a charter.

In addition to responding regularly to current and potential investors regarding all aspects of the application and resolution processes, at the beginning of each marketing round (generally once a quarter) the Marketing Section advises approved investors on the National Marketing List of the thrifts to be marketed by the Major Transactions Group in Washington, D.C. Additionally, the section works with the four regions to generate regionally directed mailing lists used to promote the sale of the locally marketed thrift operations. All members of the public requesting information on any specific thrift to be marketed are forwarded public information packages providing non-confidential material. Approved investors who execute a confidentiality agreement are then provided with a bid package and generally invited to attend a bid conference at which the acquisition process is discussed.

Minority-Owned Thrift Resolutions

The RTC began 1990 with 15 thrifts in conservatorship that were historically owned and/or operated by minority Americans. During 1990, eight additional minority-owned thrifts were placed in conservatorship. Of the 23, two had been owned by Asian Americans, 11 by Black Americans, and 10 by Hispanic Americans. In general, these institutions are small, with median assets of less than $25 million.

On January 30, 1990, the RTC Board of Directors issued the "RTC Interim Statement of Policy Concerning the Resolutions of Minority-Owned Depository Institutions." The policy states that:

- U.S. citizens of the same ethnic identity as the previous owners of the marketed minority thrift will be given preference over all other bidders.

- Winning bidders who are U.S. citizens and of the same ethnic identity are eligible to apply for interim capital assistance in an amount not to exceed two-thirds of the initial capital required by the primary regulator. This assistance is generally in the form of a loan with a maximum maturity of nine months and with an interest rate set at one percent over Treasury bills.

Working within this policy, the RTC resolved 14 minority institutions in 1990. Acquirers in eight of the resolutions were of the same ethnic identification as the previous owners. Four of these transactions used the interim capital assistance option, borrowing a total of $4.26 million. Three of the remaining 14 institutions were acquired by majority institutions because no acceptable bids were received from minority bidders. The RTC paid off all insured deposits of the remaining three minority institutions because no acquirer could be found.

Minority Participation

The National Marketing List, with 1,500 approved investors, includes 45 approved organizations (or individuals) identifying themselves as minority investors (including 3 women investors). The minority investors include 4 thrifts, 13 banks or bank holding companies, and 28 private investors (including the 3 women investors). Minority investors, like all approved investors, are advised of all marketing activities.

When marketing minority institutions, the RTC generally buys additional space in local newspapers to advertise the sale of the institution. This stimulates additional interest in the thrift, particularly from private investors. Although all investors attending a bid conference and/or receiving a bid package are required to identify themselves and execute a confidentiality agreement, many do not apply to be placed on the National Marketing List. This may be because their interest lies exclusively in learning more about one particular institution rather than in long-term involvement in the thrift acquisition process. The number of minority investors participating in the RTC resolution process is, therefore, substantially more than those included on the National Marketing List.

During 1990, minority investors (including minority-owned financial institutions, and corporate and private investors) expressed interest in acquiring a thrift from the RTC by attending a bid conference and/or receiving a confidential bid package on 145 occasions. The RTC received 29 bids from minority investors, including bids placed on minority and majority institutions. Eight minority investors placed winning bids on nine RTC thrifts. These included eight acquisitions of institutions previously owned by minorities and one unit previously controlled by majority management. ■

Finance and Administration Division

The Finance and Administration Division develops, evaluates, and operates the Corporation's funding programs and capital markets activities. The division also directs all RTC administrative support services and coordinates the operations of the Corporation's financial branches.

Capital Markets Branch

The Capital Markets Branch manages the method and ultimate disposition of all securities and related assets of RTC conservatorships and receiverships; develops and directs national sales programs to pool, securitize and sell loans and other assets from RTC conservatorships and receiverships; and monitors capital markets and the broker/dealer community in order to ensure that the RTC receives maximum value from asset dispositions. The branch also provides guidance and assistance to the RTC's regional offices and managing agents in evaluating and managing interest rate risk, downsizing efforts, and liquidity management.

The branch's sales desk became fully operational during 1990, directly managing the sale of $17.3 billion (principal amount) in securities. This included $12.9 billion in mortgage-backed securities and $1.6 billion in high-yield bonds, in addition to mortgage-backed and financial-related derivatives, interest rate swaps, investment-grade corporate bonds, and U.S. Treasury securities.

To effect these sales, the branch used a competitive bidding, or auction, process in which brokers/dealers, institutional-end buyers, and issuers competed with one another for the assets. The branch developed an "exposure management process" to permit as many potential buyers as possible to bid on RTC securities and to manage the RTC's exposure to each winning bidder between the trade and settlement dates. In 1990, 180 firms provided financial statements to the RTC enabling them to bid for RTC securities during the year. Separate computerized tracking systems were also created to monitor all indications of interest received from potential bidders for any securities held by RTC institutions; detail the activity and performance of every firm given an opportunity to bid on RTC securities, including each firm's bid amounts, the number of times the firm has bid, and the type of security the firm has bid on; and track the approval and disposition process for all securities sales requiring Washington approval.

Also during 1990, the branch conducted research into and designed the parameters of a computerized tracking system permitting the RTC to centralize all securities sales in Washington and providing computerized support for the clearance of all securities sales. The system is scheduled for implementation in 1991.

The branch assumed direct management of the RTC's high-yield bond holdings in 1990. In July, the branch issued its first detailed listing of its holdings and arranged to provide quarterly publication of the holdings thereafter through a facsimile retrieval service. In October 1990, the RTC engaged a financial advisor, Salomon Brothers Asset Management, to provide an overall analysis and evaluation of the RTC's high-yield portfolio and assist the RTC in developing an overall strategy to maximize value in disposition of the bonds. At yearend, the RTC had sold $1.6 billion (face value) in high-yield bonds, up from $656 million in 1989.

In 1990, the branch also laid the groundwork for the RTC's securitization of loan assets. Early in the year, the RTC hired Greenwich Capital Markets to advise on strategy, to assist in training Washington and regional staff, and to develop procedures for securitizing RTC assets. In addition, the branch and Greenwich carried out a demonstration project in which non-conforming residential mortgage portfolios from five receiverships were prepared for securitization. The branch also negotiated agreements between the RTC and Fannie Mae, and the RTC and Freddie Mac. The agreements allowed the RTC to swap conforming residential mortgage loans directly with these entities for mortgage-backed securities. Swaps totaled $300 million in 1990.

The branch developed a shelf registration program during the year to enable the RTC to issue its own mortgage-backed bonds directly into the marketplace. Sales of these securitized loan pools will begin in 1991, and will enable the RTC to increase substantially the sale of its performing mortgages.

Corporate Funding Section

The Corporate Funding Section coordinates with the RTC Oversight Board and the U.S. Department of the Treasury to provide funding for RTC conservatorships and receiverships. The section manages all borrowings from the Federal Financing Bank (FFB) and the use of any appropriated funds for resolutions, pre-resolution costs, asset repurchases, and advances to conservatorships and receiverships for liquidity and high-cost funds replacement, and receives all dividends and repayments of advances, either deploying such funds in place of additional FFB borrowings or repaying such borrowings.

In 1990, the section provided funding of $18.3 billion for 1,098 advances to conservatorships and receiverships, and processed $6.6 billion in advance repayments from 206 institutions. During the year, the section's responsibility for required documentation for RTC advances was delegated to the regional level. The section also transferred funds totaling $47.9 billion to finance the initial cash outlay for the 315 resolution transactions consummated during the year.

Also during the year, the section inaugurated and improved procedures to create rolling six-week projections of all the major components of the RTC's sources and uses of funds. This assisted the Department of the Treasury in managing its short-term borrowing requirements, thereby helping to reduce the RTC's borrowing costs.

To improve the efficiency and accuracy of financial reporting, the section developed a single automated funds tracking system to replace the existing system. The new system enables the section to track all wire disbursements by type and use and all receipts of advance repayments from RTC conservatorships and receiverships, as well as liquidating dividends. The automated funds tracking system also calculates the interest accrual on outstanding advances to conservatorships and receiverships.

In addition to maintaining and generating daily management accounting reports, the section created several new reports reflecting the RTC's growth and the increasing sophistication and variety of requests from within and outside the RTC. The new reports include some detailing budgeted versus actual information, and projected activity for all RTC funding uses and sources.

Financial Reporting Section
The Financial Reporting Section coordinates, prepares and reviews RTC financial information presented to senior management, the Congress, the Executive Branch and other government agencies, and the public.

The Corporation and the Oversight Board must submit to the Congress and the President annual reports containing audited statements of the RTC's financial condition and operations. Additional reports and testimony with updated financial information must be prepared semiannually for the Congress. FIRREA requires the RTC to update its estimates of contingent liabilities quarterly. Reports on the status of RTC obligations concerning the statutory formula limiting such obligations must be submitted regularly to the Oversight Board and others. Additional financial data and reports are required from the Corporation on a periodic or ad-hoc basis by the Oversight Board, Congressional committees, the General Accounting Office, the Department of the Treasury, the Office of Management and Budget, and the Congressional Budget Office.

The Financial Reporting Section also assists in solving financial reporting problems as they emerge, in coordination with the FDIC, and reviews the methodologies used to develop financial reports, recommending improvements where appropriate.

Semiannual reports covering activities from October 1, 1989, through March 31, 1990, and from April 1, 1990, through September 30, 1990, were submitted by the RTC to the Oversight Board and the Congress in April and December 1990. In addition, the section developed and issued all RTC financial reports to the Oversight Board and the Department of the Treasury.

The section closely tracked the RTC's borrowing limit under FIRREA in 1990 because the RTC was close to the limit during most of the year, and it appeared that the RTC would exceed the limit several times. The RTC was also required to report to the Oversight Board several times during the year concerning its borrowing. To track the borrowing limit, the section integrated data from the Corporate Funding Section and the Resolutions and Operations Division's Conservatorship and Receivership Operations and Claims Sections, and worked with the FDIC's accounting division, which handles the RTC's accounting.

The RTC receives its operating and loss funds quarterly with the Oversight Board's approval after submitting an operating plan and funding request to the RTC Board and the Oversight Board. The Financial Reporting Section prepared all funding requests with the operating divisions' assistance.

Administrative Section
The Administrative Section provides essential support services to the RTC in Washington and throughout the country. The section handles personnel administration, in coordination with the FDIC, and oversees all leasing and acquisition of facilities both in Washington and in the field. The section is also responsible for facilities maintenance and related administrative services in Washington.

In 1990, the section provided personnel policy guidance, transactional assistance and oversight support to the RTC's 4 regional offices, 14 consolidated offices, and 14 sales centers. During the year, 3,300 field employees were brought on board to accomplish the RTC's mission. In addition, the office furnished personnel support to headquarters' organizations by establishing positions and hiring 486 employees. Total agency staffing grew from 1,103 at the beginning of 1990 to 4,919 at yearend.

During the year, the section assisted the field organizations in evaluating potential office space and leases for new office space, and redesigning existing space to improve efficiency. To provide sufficient work space for the RTC's rapidly growing staff, the section also assessed numerous potential office sites, monitored renovation efforts, and developed efficient work space plans for four headquarters locations. Ongoing essential office services, such as mail, printing, supply, security, employee health unit, and other building services, continued to be provided to the growing population at three additional RTC locations in 1990. ■

Legal Branch

The RTC faces a multitude of unique and complex legal issues, requiring an experienced and diverse legal staff. Comprehensive legal services to the RTC are provided by the RTC Legal Branch, one of the FDIC Legal Division's five branches. The branch advises the RTC's Washington, regional, and field staffs on a number of issues. These include: resolutions, conservatorship and receivership operations, agency status issues, taxes, environmental issues, asset disposition and marketing, commercial litigation, agency litigation, securitizations, financing, and claims against directors, officers, employees and insurers of failed thrifts.

The Special Counsel heads the Legal Branch and serves as the principal legal adviser to the RTC's Executive Director. The branch is composed of the Washington Office, and staffs in the four regional offices and 14 consolidated field offices. During 1990, the number of RTC attorneys rose to 423 nationwide—70 in the Washington Office and 353 in the regional and consolidated field offices.

Washington Office

The Washington legal staff provides direct legal support to the RTC Washington staff. It also provides administrative and policy direction to the legal staffs in the regional and consolidated field offices.

During 1990, the headquarters staff was reorganized into seven substantive areas: Conservatorship and Receivership Operations Section; Resolutions Section; Asset and Real Estate Management Section; Securities and Finance Section; Litigation Section; Professional Liability Section; and Regions and Administration Section.

Among the accomplishments of the headquarters staff during the year was creating the Standard Asset Management and Disposition Agreement (SAMDA), including attachments, and redefining the relationship among outside counsel, asset managers and the RTC Legal Branch. The Washington staff also developed an automated tracking system to support the Legal Branch's responsibilities in the SAMDA program. In addition, the staff developed training for the regional and consolidated office staffs on the role of the RTC Legal Branch in the SAMDA program and the SAMDA automated tracking system. The branch will expand and refine the SAMDA data system to include all RTC legal matters. The expanded system will be called the RTC Legal Information System.

During the year, the Washington staff also created standardized contracts, agreements, and procedures, including (1) standard contracts for goods and services for the RTC and RTC conservatorships; (2) controls and procedures for RTC contracting; (3) standard agreements for the sale of mortgage servicing rights and whole loans, including the development of the RTC's standard representations and warranties; and (4) directives on receivership claims, severance benefits for conservatorship employees and termination of conservatorship employees.

Other 1990 accomplishments included drafting regulations on the RTC lending program to operating conservatorships; reviewing the 1988 FSLIC assistance agreements, as mandated by FIRREA; providing legal support for the implementation of the RTC's Affordable Housing Disposition Program; providing legal support in connection with the receivership of the Federal Asset Disposition Association; negotiating a memorandum of understanding with the U.S. Fish and Wildlife Service regarding the evaluation of RTC properties for possible conservation problems; and building staffs of the Professional Liability Section in each regional office and consolidated field office. This section will complete its hiring in 1991.

Regional and Consolidated Field Offices

The four regional legal staffs provide legal support to the RTC regional directors and their staffs. They also furnish substantive guidance, management and administrative support to the consolidated field offices' legal staffs in cooperation with the Washington Office, including dissemination and implementation of uniform policies and procedures. In addition, the regional offices provide litigation management and coordinate the hiring of outside law firms.

The lawyers in the consolidated field offices either directly or through outside counsel assist with the transactional work, prosecute and defend in lawsuits, and provide general legal advice and consultation to the RTC.

During 1990, the legal staffs in the regional and consolidated offices assumed responsibility for 207 new conservatorships. These staffs also participated in the resolutions of 315 financial institutions.

The four regional office legal staffs also engaged in recruiting both in-house and outside counsel. This involved processing hundreds of applications from law firms seeking to be placed on the RTC's approved counsel list or "List of Counsel Utilized"; actively recruiting minority- and women-owned law firms for inclusion on the approved counsel list; and actively recruiting minority and women lawyers for the staffs of the regional and consolidated field offices.

The staffs also developed regular training courses for consolidated field office staffs and for regional conflict specialists in alternative dispute resolution techniques. In addition, the staffs created transactional and litigation manuals for outside law firms and in-house counsel.

Another 1990 accomplishment was the development of standardized documents and procedures. These included standard documents for use in real estate and other transactions, and procedures for identifying and resolving conflicts among RTC/FDIC-controlled institutions.

Outside Counsel

RTC's approved counsel list consisted of 955 law firms nationwide at yearend. One hundred of these firms are minority-owned and 21 are women-owned. The branch will continue to recruit minority- and women-owned law firms for inclusion on the approved counsel list as well as recruit minority and women attorneys for work inside the branch.

One of the biggest challenges facing the Legal Branch is ensuring the consistent treatment of litigation issues throughout the nation. The branch is developing training materials to educate recently retained firms about the RTC's position on these issues. ■

Offices of the RTC

Offices

Office of Research and Statistics

The Office of Research and Statistics (ORS) serves as the research and planning arm of the RTC. It supports the activities of the other offices and divisions of the RTC, providing economic, financial, and statistical analysis for their operations. The office also provides the Executive Director and the divisions and offices with economic analysis of policy issues facing the RTC.

The Financial Modeling and Statistics Section of ORS develops financial models for a variety of purposes, prepares data on RTC activities and thrift institutions for dissemination within the RTC and to the public, and works with management information systems groups within the RTC and in other agencies. The specific projects in which this section has been engaged include the projection of long-term RTC cash flows and funding requirements, preparation of public information packages for distribution to potential bidders in thrift resolutions, compilation of quarterly data on the operations of conservatorship institutions, and preparation of a number of recurring reports and presentations on RTC activities. Among the latter are reports to the RTC Oversight Board on RTC performance relative to operating plan goals, reports to Congressional committee staff, chart presentations on RTC operations and accomplishments for Congressional and other groups, and the *RTC Review*, a monthly publication that provides data and other information on RTC activities.

The Financial Markets and Institutions Section of ORS is engaged in the analysis of public policy issues, the economics of asset management and disposition, and the econometric analysis of various issues confronting the RTC. In the public policy area, the section prepares and coordinates testimony to be presented before Congressional committees, provides liaison with the Oversight Board on the RTC strategic plan and implementation procedures, and undertakes special public policy projects as assigned. In 1990, the latter included a detailed study of open bank assistance from the 1930s to the present, preparation of a briefing book on the RTC, and analysis of various alternatives for financing sales of RTC-held real estate.

Other specific projects undertaken by the Financial Markets and Institutions Section include the development of asset sale concepts to facilitate large portfolio sales, a model for estimating thrift resolution losses, valuation of asset put and call options in resolution transactions, compilation of information on regional real estate and other market developments, analysis of receivership expenses, and analysis of the impact of incentive provisions in asset management and disposition contracts.

ORS has also provided analytical support for the review and renegotiation of 1988 FSLIC transactions mandated by FIRREA and for the development of a process for periodic valuation or updating the valuation of assets in RTC receiverships.

Office of Corporate Communications

The Office of Corporate Communications (OCC) serves as the voice of the RTC. OCC's job is a critical and demanding one because the RTC, charged with resolving a financial crisis of enormous proportion, is one of the most visible and closely observed federal agencies.

The office receives scores of telephone calls daily from television, radio, and print reporters at news organizations around the country and abroad with questions about the RTC, its policies and operations, and S&L resolutions. OCC must respond to these inquiries promptly and accurately. Its information programs are integral to the public's awareness and understanding of the Corporation. Although the RTC has been in existence over a year, OCC still receives many inquiries about the Corporation's structure and plans for achieving its statutory goals under FIRREA—closing hundreds of insolvent S&Ls and selling the institutions' billions of dollars in assets.

OCC's Washington office responds to telephone and written inquiries about the RTC from the national and international news media and industry trade publications. It also evaluates requests for speakers to appear at privately sponsored functions and for press interviews with Executive Director Cooke and other key RTC officials. In addition, the office issues all major RTC press releases. Other activities include writing and editing copy for various publications and RTC operations; scheduling press briefings; and producing publications such as the RTC's *Annual Report*.

At the RTC's four regional offices, OCC maintains a staff of public information specialists who serve as regional spokespersons for the RTC. They also coordinate media relations on-site when savings institutions are placed into RTC conservatorship or receivership, and issue press releases of regional interest.

During 1990, OCC issued over 700 press releases, many of which announced conservatorship or receivership transactions, or case resolutions. Other topics included RTC policies and programs, affordable housing efforts, upcoming sales events and sales accomplishments, contract awards, financial matters, securitization efforts, and legal issues. Initial press release distribution is accomplished through facsimile transmission (fax), enabling OCC to notify immediately other regulatory agencies, news wire services, and local newspapers of S&L closings and other important matters. In addition, non-media customers may access any press release issued by the RTC through an on-line fax system, a service established by OCC through an agreement with a private vendor.

OCC conducted three major press relations seminars during the year, two at the National Press Club in Washington, D.C., and one at an RTC open house for regional reporters. OCC also developed the prototype of the *RTC Review*, a monthly publication that reports on the RTC's operations.

Office of Budget

The Office of Budget coordinates and oversees the RTC's ongoing budget process, which involves budget formulation, budget execution, program planning, and performance planning and measurement.

In 1989, while the RTC was still in its formative stage, budget estimates were based on a top-down analysis of operations and resource requirements, taking into account such issues as planned organizational structure and support staff levels. This type of analysis, coupled with the fact that the basic organizational structure of the RTC was still subject to change, resulted in the preparation of administrative budgets on a quarterly rather than an annual basis.

In 1990, however, the RTC had more operational information on which to draw to prepare budget estimates. Quarterly expense budgets continued to be produced until the fourth quarter of 1990. During that quarter, an Administrative Expense Budget for calendar year 1991 was developed. In addition, at the end of the third quarter of 1990, the office began reporting quarterly results of operations, which assisted in monitoring the performance of major RTC functions nationally and reporting the functions to senior management. Information supporting the quarterly budgets served as a catalyst for the review and update of RTC expense accounting. This action provided greater assurance that information reported to senior management was an accurate and timely reflection of agency operations.

Several factors unique to the start-up nature of the RTC impacted significantly on the office's reporting of 1990 activities. These factors included the rapid growth in personnel staffing, asset management operations, contracting, and procurement of management information systems equipment and services. During 1990, the RTC added 207 thrifts to the 281 already in the conservatorship program from 1989, and resolved 315 institutions. To support the conservatorship/resolution schedule, the RTC's staff grew by 3,621 employees, an increase of 291 percent from the previous year. Administrative expenses for the RTC totaled $855.98 million in 1990. Of this amount, "outside services" and "salaries and benefits" accounted for 36 percent and 23 percent, respectively. About 96 percent of the expenses for outside services were attributed to Resolutions and Operations activities and Asset and Real Estate Management activities. The value of assets managed in RTC receiverships increased to more than $58 billion at year-end from just under $8 billion in 1989.

To enhance budget information available to managers and refine the process of formulating and executing the budget for the RTC, the Office of Budget developed a functional budget and a flexible expense budget for 1990.

Functional Budget

The RTC's 1990 functional budget helped to highlight all of the RTC's important activities. It is organized to present information by organization, location, program, and function, such as asset management, resolutions, contracting, information services, and investigations. Information reported included salaries and benefits, outside services, travel, building expenses, and equipment and supplies.

Flexible Expense Budget

Within the framework of its functional budget, the RTC operated under a flexible expense budget during 1990. The estimates under this type of budget allow the RTC to avoid fixed ceilings on expenditures that may slow the pace of resolving institutions and disposing of assets. The rationale for this type of budget was the large and increasing amount of asset management contracting throughout 1990. The growth in the contracting workload was within the RTC's goal of contracting at least 80 percent of its work to the private sector. Although the asset management workload was difficult to predict, relationships between the 1990 workload and expenses were established to provide budget estimates that varied with different workload levels. As the RTC organization and its operations mature, the flexible expense budget will continue to play an important role in measuring work results.

Office of Program Analysis

The Office of Program Analysis provides functional oversight and analysis of RTC activities for the Corporation's Executive Director. The office also responds to complaints about the RTC from the general public and other interested parties. Activities of the office are administered through the Program Analysis office and the Ombudsman's office.

As part of its responsibilities, the Office of Program Analysis advises senior management on divisional goals and strategies that were developed to implement FIRREA and the RTC Strategic Plan. The office reviews major RTC programs to ensure that statutory requirements are addressed and that the programs, as designed, are efficiently meeting their objectives. These reviews assess how the RTC programs and policies are being implemented and followed, and provide senior RTC management with a means of further evaluating the effectiveness of established divisional goals.

Special "ad hoc" reviews are also performed upon request to address the particular needs of senior management. The office also coordinates all audits and reviews performed by the General Accounting Office and the RTC's Office of Inspector General. All requests are analyzed to determine the appropriate action to be taken.

The Ombudsman's Office handles individual inquiries from the general public and other interested parties. Systemic problems identified through handling of these inquiries are investigated, and corrective actions proposed. The office also provides liaison with the RTC Office of Legislative Affairs, ensuring that Congressional inquiries receive timely and accurate responses.

During 1990, the Office of Program Analysis handled over 2,300 inquiries; evaluated the Office of Thrift Supervision's proposal for the scope of the conservatorship examinations; developed directives dealing with complaint handling and management processes; participated in the review of problems associated with adjustable-rate mortgages; developed a standard solicitation of services in order to solicit public accounting firms to audit Standard Asset Management and Disposition Agreement contractors; and, before the establishment of regional Office of Legislative Affairs positions, handled all field-related Congressional inquiries and responses. Special projects included directing the Training Task Force, assisting in the selection of management information system vendors, and initiating the selection and installation of a correspondence tracking system.

Office of Legislative Affairs

The Office of Legislative Affairs (OLA) serves as the RTC's liaison with the Congress, advising the Board of Directors on legislative issues, coordinating the drafting of proposed legislation, preparing testimony, responding to Congressional inquiries, and representing the RTC's interests before the Congress on legislative and other matters.

OLA coordinates responses to written and telephone inquiries from Congressional offices with other RTC offices and divisions. During 1990, OLA responded to 2,500 written inquiries and over 5,000 telephone inquiries, most from Congressional offices.

OLA also played a central role in preparing testimony for Chairman Seidman, Executive Director Cooke, and other RTC staff before Congressional committees on 24 separate occasions during 1990. In addition, OLA met regularly with members of the Congress and their staffs to provide relevant information about the RTC's operations and to explain the need for legislation integral to the RTC's resolution and asset disposition activities.

Office of the Executive Secretary

1990 was a year of intense activity and rapid growth for the RTC's Office of the Executive Secretary (OES). When the RTC was established in 1989, its Executive Secretary function was organizationally placed within the FDIC's Office of the Executive Secretary. Due to a continually increasing volume of activity, in April 1990 the RTC's Office of the Executive Secretary was established as a separate entity. Consequently, in 1990 the RTC's OES was concerned with two major tasks: fulfilling its responsibilities to process actions by the RTC Board of Directors and, at the same time, establishing itself as an administratively separate unit. During this period, OES assumed responsibility for several new, important programs.

Board of Directors Services

OES' core responsibilities are to provide public notice of meetings of the RTC Board of Directors, record all votes, and prepare minutes of the meetings.

In 1990, the RTC Board of Directors held 47 closed meetings, primarily dealing with major failed institutions, and 19 open meetings. At the open meetings, the Board approved six final and two proposed regulations, and 18 policy statements.

The OES staff processed by notational vote, 140 Board decisions relating to such issues as the smaller, routine failed thrift resolutions, and space and procurement authorizations. The notational process allows the Board to vote on items not requiring discussion without having to take the time to hold a meeting. During the year, 444 items were presented to the Board for decision, of which 422 were approved.

Record Services

One of OES' critical responsibilities is ensuring that all documents pertaining to and supporting Board decisions are intact and properly filed. Most of the 1990 Board actions dealing with the resolution of thrift institutions were executed by field staff. As a result, OES' Record Services staff established tracking systems to ensure that all required documents were received in a timely fashion.

Another important Record Services function is to affix the RTC corporate seal to appropriate documents. The seal is most frequently used in conjunction with issuing powers of attorney to RTC agents, enabling them to act on behalf of the Corporation. Because the RTC is in the business of selling real assets, over 2,000 such appointments were made in 1990. Initially, all requests for appointments were required to be processed in Washington, causing considerable delays for the field staff. However, during 1990 the Record Services staff implemented the necessary controls and arranged to have the appointment authority and the function of affixing the corporate seal delegated to the RTC regional offices, saving the RTC considerable time and expense.

Committee Services

Following the FDIC model, the RTC uses a standing committee structure to enhance its decision-making process by ensuring that a sufficiently competent body acts on matters requiring major decisions. The RTC Board established three standing committees: (1) the Senior Committee on Management and Disposition of Assets, the highest delegated authority for disposing of assets; (2) the Committee on the Management and Disposition of Assets, the next highest authority; and (3) the Contractors Conflicts Committee, dealing with complex ethics-related issues concerning private contractors. (A joint RTC/FDIC committee for issues related to legal contractors has also been established).

In 1990, the Committee Services staff organized and produced agendas and minutes for 127 committee meetings, involving the processing of 603 cases. In addition, the staff responded to an average of 40 weekly requests for information about committee actions and for certifications on those actions. The staff also implemented procedural changes eliminating delays in transmitting documents to the RTC field offices that were needed to verify final decisions on cases, expediting the asset sales.

Freedom of Information/ Privacy Act

The OES is responsible for ensuring that the RTC complies with the Freedom of Information/ Privacy Act (FOIA). In early 1990, a high-level RTC FOIA Policy Committee, chaired by the RTC's Executive Director, was established to ensure that decisions on records disclosure were appropriately and consistently made. The RTC's overall policy is to release to the public as much information as possible with two exceptions: (1) when there is a legal prohibition to the release or (2) when the release would significantly hinder the RTC's ability to carry out its missions.

The RTC is charged with selling assets and recovering as much money as possible for taxpayers, but at times the release of information could actually reduce the taxpayers' return. Consequently, many decisions must be made relating to the release of information involving a delicate balance between the public's desire to gain information and the RTC's responsibility to maximize return to the taxpayers.

In 1990, both the number and complexity of FOIA requests to the RTC steadily increased, resulting in 1,174 requests received for the year. To meet the goal of processing 90 percent of all FOIA requests within 30 calendar days, additional FOIA professionals were hired in Washington and in each RTC region. The staff increase resulted in more expeditious processing of requests. Information professionals in the regions also will facilitate the eventual decentralization of the FOIA processing.

In addition to hiring additional staff, the OES implemented procedures to expedite the processing of FOIA requests. For example, the staff arranged the issuance of a summary sheet containing non-proprietary information about winning and losing bids on failed thrifts. Winning and losing bids have been among the most frequently requested information. Because many bids contain some proprietary information, the review of bids prior to release takes significant time. OES discovered that the majority of requestors of bid information only wanted certain non-proprietary information. The summary sheet satisfies over 90 percent of the requests for bid information.

Public Reading Room

To implement the RTC's policy of timely release of as much information as feasible, the Executive Director decided in March 1990 to establish a Public Reading Room in Washington, which opened the following month. The Reading Room provides hard copies of RTC-related documents and a computer terminal through which the public can access for review the entire listing of real estate assets for sale by the RTC. The Reading Room is set up to handle walk-in requests as well as telephone and letter requests. By yearend, the Reading Room had responded to over 10,000 requests for information, distributed 517,343 pages of documents, and collected $43,334 in duplicating fees.

Once the Reading Room became operational, plans were underway to establish similar functions in each of the four RTC regions. Unlike the structure used in Washington, plans included combining the FOIA and Ombudsman functions (which are organizationally separate in Washington) and the Reading Room function into one unit in each region. These "Public Service Centers" would provide the public with one place to access information and receive answers to questions. The first Public Service Center was established in the Central Region in October 1990.

Records Management

In late spring 1990, responsibility for the RTC's records management program was transferred from the FDIC to OES. This responsibility includes establishing retention schedules for all RTC records, using guidance on various aspects of records management, and developing a standardized filing system.

Due to the urgency and size of the task, an outside firm was contracted to develop the records retention schedules. That work was 80 percent completed by yearend. In addition, the OES staff issued several directives and other forms of guidance on such issues as microfilming records, security of files, investigative records management, and other similar subjects.

One of the major undertakings of the records management staff was the establishment of an automated system to track all records taken under the control of the RTC when it is appointed conservator of an institution. When the system is completed in late spring 1991, it will enable the RTC to track its records as they are moved from one location to another.

Office of Corporate Information

The Office of Corporate Information (OCI) has the enormous task of managing information systems and technology for the RTC. Established in September 1990, OCI provides RTC users with modern, cost-effective and proficient information systems; facilitates the preparation of the RTC's reports to the Congress, the Oversight Board, and senior management; and seeks to minimize the time required to develop and acquire systems, while minimizing the cost of new systems and systems management.

During 1990, OCI provided the RTC with over 5,600 MS-DOS-based microcomputers interconnected to over 120 local area networks. OCI developed equipment requirements and standards for these microcomputers and produced network and application software standards. OCI also provided training and documentation to support these systems.

The RTC contracted for implementation of the Real Estate-Owned Management System (REOMS), a nationwide system to provide more up-to-date geographic information on assets. The system will also support other RTC activities, including marketing, accounting, and reporting.

The first RTC Information Resources Management (IRM) Strategic Plan was issued in December 1990, defining goals and objectives necessary to fulfill corporate information requirements. The plan described existing and future systems architectures, and catalogued the RTC's current and proposed hardware, software and communications resources.

OCI carries out its functions through three branches: Software Management Branch, Information Resource Management Branch, and Information Systems Branch.

Software Management Branch

The Software Management Branch provides RTC systems users with information systems development and maintenance support. It also develops and maintains a corporate data base, and is creating a data dictionary. The branch's four sections provide dedicated support to specific areas of the RTC: assets, resolutions, data administration, and finance and administration.

Information Resource Management Branch

The Information Resource Management Branch formulates corporate-wide policies on information management and the acquisition, development and use of the RTC's information systems. It also develops the RTC's IRM plans and budget, and develops and enforces standards and procedures to be used in acquiring and using information systems. In addition, the branch administers the RTC's IRM quality assurance program; develops and manages a corporate-wide computer security program; and provides acquisition and administrative support to OCI. Three sections carry out the branch's functions: Policy and Planning, Resource Management and Quality Assurance, and Security.

Information Systems Branch
The Information Systems Branch plans, acquires, installs, and manages computing support, including office systems. It is also responsible for computer performance management; computer capacity planning; and the planning, acquisition, installation and management of voice and data communication networks. The branch functions are carried out by three sections: Office Systems, Telecommunications, and Computer. ■

Regulations

Regulations

Affordable Housing Disposition Program

August 21, 1990

The RTC adopted a regulation to provide home ownership and rental housing opportunities for low- and moderate-income families and individuals. Among other things, the regulation establishes a 90-day marketing period during which qualifying purchasers have exclusive rights to make offers to purchase eligible properties and to submit expressions of serious interest. The program was authorized by FIRREA and will be carried out in accordance with the Fair Housing Act.

Employee Responsibilities and Conduct

February 5, 1990

The RTC adopted a regulation establishing standards of ethical conduct for RTC employees. The regulation is modeled after rules applicable to FDIC employees and incorporates requirements mandated in FIRREA. The rule, among other things, states that no employee may accept a gift, favor, entertainment, or loan from anyone who is an officer, director, or employee of any insured depository institution or business association whose members seek to do business with the RTC. Other limits include restrictions on certain types of securities investments and outside employment related to the real estate industry.

Qualifications of, Ethical Standards of, Conduct for, and Restrictions on the Use of Confidential Information by Independent Contractors

February 5, 1990

The RTC and the RTC Oversight Board approved a regulation establishing ethical standards for contractors selected to perform services for the RTC. This regulation includes prohibiting contractors from performing services for the RTC if they have caused losses of $50,000 or more to the federal deposit insurance fund in certain circumstances. A contractor currently in default on an obligation to the FDIC, the RTC, or an insured depository institution under the jurisdiction of the RTC is also ineligible to contract with the RTC.

Real Estate Appraisals

Proposed: February 22, 1990
Effective: September 21, 1990

The RTC Board of Directors adopted a regulation governing the performance and utilization of appraisals in federally related transactions under its jurisdiction. The regulation is modeled after appraisal regulations of the OTS and FDIC. The rule states, among other things, that State certified appraisers are required in all transactions with a value of $1 million or more and for transactions involving an interest in one- to four-family residential real estate if the transaction value is $250,000 or more. No appraisal is necessary when the transaction value is less than or equal to $50,000. An appraisal is to include a separate assessment of personal property, fixtures, or intangible items that are attached to or located on real property if the personal property, fixture, or intangible item affects the market value of the real property.

Retention of Thrift Branches Acquired by Banks in Emergency Acquisitions

Proposed: April 1, 1990
Effective: June 1, 1990

The RTC adopted a rule permitting insured banks to retain and operate branches of failed or failing thrifts acquired pursuant to the emergency acquisition provisions of section 13(k) of the Federal Deposit Insurance Act. The purpose of the rule is to permit insured banks to retain and operate such branches despite provisions of state law that would limit their ability to do so. This action is being taken because the RTC believes that such state laws present a serious impediment to the emergency acquisitions of troubled thrifts by banks, as authorized by section 13(k), and increase the cost of resolution of these thrifts, creating an obstacle to the purposes and objectives of Congress.

Proposed Regulation

Priority of Distribution of Claims Against Resolution Trust Corporation as Receiver

November 14, 1990

The RTC proposed to adopt a regulation establishing the priority of distribution for certain claims by the RTC, in its corporate capacity, against the RTC as receiver for failed savings associations. The current regulations, which were adopted to govern receiverships conducted by the former Federal Savings and Loan Insurance Corporation, do not take into account the current methods by which the RTC operates conservatorships or receiverships. The proposed regulation would recognize that the RTC as a corporation is entitled to the highest priority of unsecured claims for advances made to the RTC as conservator or receiver, as those advances benefit all creditors of the associations in conservatorship or receivership. The RTC finds that since the advances are made for the benefit of all creditors, and actually increase the potential recovery of all creditors by enabling the receiver to perform its duty to collect funds due to the depository institution, it is not unfair to other unsecured creditors to accord this priority to the RTC. ■

Financial Statements

Resolution Trust Corporation

Statement of Financial Position

December 31, 1990 (dollars in thousands)

Assets	
Cash	$ 5,176,794
Net advances and loans (Note 3)	22,608,018
Net subrogated claims (Note 4)	25,538,697
Other assets (Note 6)	6,409
Total Assets	53,329,918
Liabilities	
Accounts payable, accrued liabilities and other	41,822
Liabilities incurred from assistance and failures (Note 7)	490,897
Notes payable (Note 8)	53,929,779
Estimated cost of unresolved cases (Note 9)	55,941,445
Estimated losses from corporate litigation (Note 10)	158,184
Total Liabilities	110,562,127
Equity	
Contributed capital	18,810,090
Capital certificates	24,247,854
Accumulated deficit	(100,290,153)
Total Equity (Note 11)	(57,232,209)
Total Liabilities and Equity	**$53,329,918**

See accompanying notes

Statement of Revenue, Expenses and Accumulated Deficit

For the year ended December 31, 1990 (dollars in thousands)

Revenue		
Interest on advances and loans	$	1,378,623
Servicing and other revenue		25,258
Total Revenue		1,403,881
Expenses and Losses		
Interest expense on notes issued by the Corporation		1,787,516
Interest expense on escrowed funds		1,395,438
Provision for losses (Note 5)		(1,483,133)
Administrative operating expenses		53,944
Other expenses		12,530
Total Expenses and Losses		1,766,295
Net Loss		**(362,414)**
Accumuiated Deficit - Beginning		**(99,927,739)**
Accumulated Deficit - Ending (Note 11)	**$**	**(100,290,153)**

See accompanying notes

Resolution Trust Corporation

Statement of Cash Flows

For the year ended December 31, 1990 (dollars in thousands)

Cash Flows From Operating Activities:	
Cash inflows from:	
Receipts from subrogated claims	$ 1,879,579
Repayments of advances and loans, principal	7,198,660
Receipts of interest on advances and loans	1,160,395
Receipts from servicing and other operations	20,672
Cash outflows for:	
Disbursements for subrogated claims	(60,870,583)
Disbursements for advances and loans	(19,037,050)
Disbursements for reimbursable expenditures	(241,137)
Administrative operating expenditures	(32,480)
Net Cash Used by Operating Activities (Note 15)	**(69,921,944)**
Cash Flows From Financing Activities:	
Cash inflows from:	
Corporate notes payable	52,142,263
Capital certificates	18,539,096
Contributed capital	10,785
Cash Provided by Financing Activities	**70,692,144**
Net Increase in Cash	**770,200**
Cash - Beginning	**4,406,594**
Cash - Ending	**$ 5,176,794**

See accompanying notes

Notes to the RTC Financial Statements

December 31, 1990

1. Impact of FIRREA Legislation

Creation of the RTC

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) became public law on August 9, 1989. This landmark legislation established organizations and procedures to obtain and administer the necessary funding to resolve failed thrifts and to dispose of the assets of these institutions. FIRREA abolished the Federal Savings and Loan Insurance Corporation (FSLIC) and the Federal Home Loan Bank Board (FHLBB). Their functions were transferred, in a prescribed manner, to the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision, the Federal Housing Finance Board, and the Resolution Trust Corporation (RTC).

The RTC, a Government Corporation, was tasked with replacing the FSLIC in future case resolution activity by managing and resolving all troubled savings institutions that were previously insured by FSLIC and for which a conservator or receiver is appointed during the period January 1, 1989 through August 8, 1992.

The activities of the RTC are subject to the general oversight of the Oversight Board. The Oversight Board was created by FIRREA to oversee and be accountable for the RTC, to provide the RTC with general policy direction, and to review and monitor the RTC's performance. The Oversight Board consists of five members: the Secretary of the Treasury; the Chairman of the Board of Governors of the Federal Reserve System; the Secretary of Housing and Urban Development; and two independent members appointed by the President, with the advice and consent of the Senate.

FIRREA established the Resolution Funding Corporation (REFCORP) to provide the RTC with funds necessary to carry out its legislative mandate. The REFCORP, under the direction of the Oversight Board, was granted power to issue long-term debt securities. The net proceeds of these securities shall be used to purchase capital certificates issued by the RTC or to refund any previously issued obligation.

Under current law (FIRREA), the RTC will terminate on or before December 31, 1996. All remaining assets and liabilities will be transferred to the FSLIC Resolution Fund, with the requirement that any net proceeds from the sale of such assets be transferred to the Resolution Funding Corporation (REFCORP) for interest payments. At the time of the RTC's termination, the FDIC will succeed the RTC as conservator or receiver for failed thrift activity.

Source of Funds

The RTC is funded from the following sources: 1) U.S. Treasury payments, borrowings and appropriations; 2) a contribution from the Federal Home Loan Banks through REFCORP; 3) amounts borrowed by REFCORP which is authorized to issue long term debt securities; 4) the issuance of debt obligations and guarantees as permitted by the Oversight Board; and 5) income earned on the assets of the RTC, proceeds from the sale of assets, and collections made on claims received by the RTC from receiverships, to the extent such amounts are needed for further resolution costs (as determined by the Oversight Board).

The Secretary of the Treasury has contributed capital of $18.8 billion to the RTC as of December 31, 1990. The RTC has also issued capital certificates of $24.2 billion to REFCORP as of December 31, 1990 (see Note 11). The RTC is also authorized to borrow from the Treasury an amount not to exceed in the aggregate $5.0 billion outstanding at any one time. As of December 31, 1990, the RTC had no borrowings outstanding from the Treasury.

The RTC's Office of Inspector General (OIG) received $10.8 million of appropriated funds for fiscal year 1991 from the U.S. Treasury to finance the activities of the Office of Inspector General.

In January 1991, the RTC issued capital certificates of $7.0 billion to REFCORP. During March 1991, the Resolution Trust Corporation Funding Act of 1991 authorized the Secretary of the Treasury to provide an additional $30 billion in capital to the RTC.

2. Summary of Significant Accounting Policies

General

These statements do not include accountability for assets and liabilities of closed thrifts for which the RTC acts as receiver/liquidating agent or of thrifts in conservatorship for which the RTC acts as the managing agent.

Allowance for Losses on Advances and Loans

The RTC recognizes an estimated loss on advances and loans. The allowance for loss represents the difference between amounts advanced to conservatorships and expected repayments.

Allowance for Losses on Subrogated Claims

The RTC records as assets the amounts advanced for assisting and closing thrifts. An allowance for loss is established against subrogated claims representing the difference between the amounts advanced and the expected repayments. The allowance is based on the estimated cash recoveries from the assets of the assisted or failed thrift, net of estimated asset liquidation and overhead expenses, including interest costs.

Estimated Cost of Unresolved Cases
The RTC has recorded the estimated losses related to thrifts in conservatorship and those identified in the regulatory process as probable to fail.

Litigation Losses
The RTC recognizes an estimated loss for litigation against it in its Corporate, conservatorship and receivership capacities. The RTC Legal Division recommends these estimated losses on a case-by-case basis.

Escrowed Funds
The RTC holds funds in escrow equal to the amount of assets purchased by an assuming institution in a purchase and assumption transaction until such time a receivership withdraws the funds to buy back assets under put options or pay dividends, preferred secured claims, receivership expenses, or settlement costs. The RTC accrues interest on these funds on behalf of the receiverships.

Allocation of Common Expenses
The RTC shares certain administrative operating expenses with several funds of the Federal Deposit Insurance Corporation (FDIC) including the Bank Insurance Fund, the FSLIC Resolution Fund, and the Savings Association Insurance Fund. The administrative operating expenses include allocated personnel, administrative, and other overhead expenses.

OIG Appropriation
The RTC has reported OIG appropriations used to finance operating expenses as part of "Servicing and other revenue" in the Statement of Revenue, Expenses and Accumulated Deficit. Unobligated appropriations are reported in the equity section of the balance sheet as part of "Contributed capital."

Depreciation
The cost of furniture, fixtures, equipment and other fixed assets is

expensed at time of acquisition, and is reported as administrative operating expenses. This policy is a departure from generally accepted accounting principles, however, the financial impact is not material to the RTC's financial statements.

Cash Equivalents
The RTC considers cash equivalents to be short-term, highly liquid investments with original maturities of three months or less. As of December 31, 1990, the RTC did not have any cash equivalents.

Comparative Financial Statements
Comparative financial statements are not presented since the figures shown for 1989 cover only a small portion of the year. To show comparative statements for periods of different lengths may be confusing and/or misleading. The RTC's December 31, 1989 financial statements were audited by GAO. (see GAO/AFMD-91-57, April 1991)

Related Party Transactions
The nature of the relationships and descriptions of the related party transactions are disclosed throughout the financial statements and related footnotes.

3. Net Advances and Loans

The RTC makes both secured advances and loans to its conservatorships and receiverships. The Corporation accrues interest on these advances and loans which is included in the Statement of Revenue, Expenses and Accumulated Deficit. The Corporation expects repayment of these advances and loans, including interest, before any subrogated claims are paid by receiverships. Rates used for accruing interest on advances and loans are based on an adjusted 13-week Treasury Bill rate and ranged between 6.97% and 8.50% during 1990.

December 31, 1990 (dollars in thousands)

Secured advances to conservatorships	$ 9,051,139
Secured advances to receiverships	11,983,236
Loans to receiverships	1,693,208
Reimbursements due from receiverships and conservatorships	190,806
Accrued interest	449,140
Allowance for losses (Note 5)	(759,511)
Total	**$ 22,608,018**

Reimbursements due from receiverships and conservatorships for operating expenses represent amounts paid by the RTC on behalf of the receiverships and conservatorships for which repayment is expected in full. Interest is not accrued on these reimbursements.

4. Net Subrogated Claims

Subrogated claims from failures represent disbursements made by the RTC for depositor liabilities. The Corporation recognizes an estimated loss on these subrogated claims. The RTC accrues interest payable to receiverships on the balances of their escrowed funds. The rates used by the RTC to accrue interest are based upon the Chicago FHLB Overnight Deposit Rates. Monthly averages of interest rates during 1990 ranged between 7.54% and 8.39%.

December 31, 1990 (dollars in thousands)

Subrogated claims	$ 102,284,412
Recovery on subrogated claims	(3,029,291)
Claims of depositors pending and unpaid	125,946
Escrowed funds	(32,033,010)
Allowance for losses (Note 5)	(41,809,360)
Total	**$ 25,538,697**

5. Analysis of Change in Allowance for Losses

(dollars in thousands)

	Balance December 31, 1989	Provision for Losses	Reclassifications and Adjustments	Balance December 31, 1990
Allowance for losses, subrogated claims	$ 5,398,914	$ (2,550,298)	$ 38,960,744	$ 41,809,360
Allowance for losses, advances and loans	—	—	759,511	759,511
Estimated cost of unresolved cases	94,669,000	992,700	(39,720,255)	55,941,445
Estimated losses from corporate litigation	83,719	74,465	—	158,184
Total	**$100,151,633**	**$ (1,483,133)**	**$ -0-**	**$ 98,668,500**

Reclassifications and adjustments represent amounts transferred from the liability for the estimated cost of unresolved cases to the allowance for losses on subrogated claims as a result of case resolutions. Amounts are also transferred from the liability for the estimated cost of unresolved cases to the allowance for losses on advances and loans for institutions in conservatorship.

6. Other Assets

The following are the components of other assets:

December 31, 1990 (dollars in thousands)	
Due from Government agencies	$ 3,504
Miscellaneous receivables	2,905
Total	**$ 6,409**

7. Liabilities Incurred from Assistance and Failures

The following are the major components from liabilities incurred from assistance and failures:

December 31, 1990 (dollars in thousands)	
Pending claims of depositors	$ 125,946
Due to insured depositors	364,951
Total	**$ 490,897**

8. Notes Payable

Working capital was made available to the RTC during 1990 under an agreement between the RTC and the Federal Financing Bank. The working capital is available to fund the resolution of thrifts operating as conservatorships and for use in the RTC's high-cost funds replacement and emergency liquidity programs. During 1990, all outstanding notes matured at the end of each calendar quarter, at which time the then outstanding amounts were fully refinanced. The notes payable carry a floating rate of interest based upon the 13-week Treasury Bill rate and ranged between 7.19% and 8.32% during 1990. As of December 31, 1990, the RTC had $53.9 billion in borrowings and accrued interest outstanding from the Federal Financing Bank. These borrowings, approved by the Oversight Board, are within the limitations imposed under FIRREA.

9. Estimated Cost of Unresolved Cases

The RTC has established at December 31, 1990, a liability of $55.9 billion for the anticipated costs of resolving 375 troubled institutions. These institutions were either in conservatorship at that date or identified by the Office of Thrift Supervision as Group IV (Watch List) institutions. The Group IV thrifts probably will require government assistance and are expected to be transferred to the RTC. The liability includes an estimate of operating losses at institutions between December 31, 1990 and the projected resolution date and thus is an estimate of the funds required to cover losses in the 375 institutions as of resolution. The liability recorded is the amount that is probable and reasonably estimable as of December 31, 1990.

The 1990 Estimated Cost of Unresolved Cases has declined considerably from the December 31, 1989 estimate of $94.7 billion. The primary reason for this decline is that 315 cases were resolved during 1990, leaving fewer unresolved cases at December 31, 1990.

In addition to those 375 thrifts for which a liability has been accrued, there are almost 400 other open institutions characterized by the Office of Thrift Supervision as troubled, but which "are not expected to require government assistance" (Group III institutions). Nonetheless, losses to the RTC from institutions in Group III are possible. If a substantial number of these institutions were to fail, the estimated cost to the RTC for case resolution might rise by as much as an additional $60 billion.

10. Estimated Losses from Corporate Litigation

As of December 31, 1990, the RTC has been named in several thousand lawsuits while serving in its Corporate, conservatorship or receivership capacities. Currently, it is not possible to predict the outcome for all of the various actions. An allowance for loss totalling $158.2 million has been established as of December 31, 1990 for the 72 actions that management feels are probable to result in a significant loss. Additionally, the Corporation could possibly incur further losses from the other pending lawsuits and other yet unasserted claims.

11. Changes in Equity

Equity for the RTC as of December 31, 1990 is as follows:

(dollars in thousands)

	Contributed Capital	Capital Certificates	Accumulated Deficit	Total Equity
Balance - Dec. 31, 1989	**$18,800,000**	**$ 5,708,757**	**$ (99,927,739)**	**$ (75,418,982)**
Net Loss	—	—	(362,414)	(362,414)
OIG appropriation, unobligated	10,090	—	—	10,090
Issuance of capital certificates:				
January 30, 1990	—	5,017,221	—	5,017,221
April 20, 1990	—	3,495,438	—	3,495,438
July 19, 1990	—	4,999,757	—	4,999,757
October 16, 1990	—	5,026,681	—	5,026,681
Balance - Dec. 31, 1990	**$ 18,810,090**	**$ 24,247,854**	**$ (100,290,153)**	**$ (57,232,209)**

12. OIG Expenditures

Reductions to the RTC OIG appropriated fund for expenditures are recorded as "Servicing and other revenue." Accordingly, during 1990 the RTC OIG appropriated fund was reduced by $694,442 and recorded as "Servicing and other revenue." Further, disbursements of the OIG appropriated fund for expenditures are recorded as "Administrative operating expenses." As of December 31, 1990, the unobligated OIG appropriation balance was $10.1 million.

13. Pension Plan and Accrued Annual Leave

The FDIC eligible employees assigned to the RTC are covered by the Civil Service Retirement System and the Federal Employees Retirement System. Matching employer contributions provided by the RTC for all eligible employees were approximately $5,654,979 for the year ending December 31, 1990.

Although the RTC contributes a portion of pension benefits for eligible employees and makes the necessary payroll withholdings from them, the RTC does not account for the assets of either of these retirement funds and does not have actuarial data with respect to accumulated plan benefits or the unfunded liability relative to its eligible employees. These amounts are reported by the U.S. Office of Personnel Management (OPM) and are not allocated to the individual employers. OPM also accounts for all health and life insurance programs for retired eligible employees.

The RTC's liability to employees for accrued annual leave is approximately $8,692,051 at December 31, 1990.

14. Commitments and Guarantees

Affordable Housing Program

As part of its Affordable Housing Program, RTC management has committed to expend up to $6 million to pay reasonable and customary commitment fees to various state and local housing authorities who will, in turn, provide financing to low and moderate income families. Under this program, the RTC works with state and local housing finance agencies to secure commitments of Mortgage Revenue Bond funds which will be lent to qualifying families to enable them to purchase properties from the RTC. At December 31, 1990, $2.3 million remains unexpended. No substantial recoveries are anticipated from the program.

Rental Expense

The RTC is currently leasing office space at several locations to accommodate its staff. These offices include: (1) the Washington, D.C. Headquarter offices, (2) the four Regional offices, and (3) the fourteen Consolidated offices located throughout the various regions. The RTC's rental expense for 1990 totaled $16.6 million. The RTC's total contractual obligations under lease agreements for office space are approximately $156.0 million. The minimum yearly rental expense for all locations is as follows :

(dollars in thousands)

1991	1992	1993	1994	1995	1996/ Thereafter
$ 25,368	$ 23,817	$ 23,309	$ 20,375	$ 14,885	$ 48,296

All agreements contain escalation clauses which can result in adjustments to rental fees for future years.

Guarantees of RTC

Asset Sale Guarantees

The RTC is contingently liable with respect to guarantees, representations and warranties made for $9.9 billion in unpaid principal of loans sold for cash, exchanged for mortgaged-backed securities or under servicing right contracts which have been sold. However, a portion of the sales proceeds have been escrowed to honor any obligations that might arise from the guarantees, representations and warranties. No additional losses are anticipated from these arrangements.

Letters of Credit

The RTC has adopted special policies for outstanding RTC conservatorship and receivership collateralized letters of credit. These policies enable the RTC to minimize the impact of its actions on capital markets. In most cases, these letters of credit are used to guarantee tax exempt bonds issued by state and local housing authorities or other public agencies to finance housing projects for low and moderate income individuals or families. As of December 31, 1990, the RTC has issued a commitment to honor approximately $2.1 billion of these letters of credit. The total amount that will ultimately be paid and the losses resulting from these letters of credit are not reasonably estimable at December 31, 1990.

15. Supplementary Information Relating to the Statement of Cash Flows

Reconciliation of net loss to net cash used by operating activities:

For the year ended December 31, 1990 (dollars in thousands)

Net Loss:	$ (362,414)
Provision for losses	(1,483,133)
Interest expense financed through increased notes payable	857,737
Interest expense accrued on notes payable	929,779
Accrued escrow interest expense	1,395,438
Accrued interest due from advances and loans	(218,228)
Receipts from subrogated claims	1,879,579
Repayments of advances and loans	7,198,660
Increase in accounts payable, accrued liabilities and other	33,994
Disbursements for advances and loans	(19,037,050)
Disbursements for subrogated claims	(60,870,583)
Disbursements for reimbursable expenditures	(241,137)
Increase in other assets	(4,586)
Net cash used by operating activities	**$ (69,921,944)**

Noncash transactions incurred from thrift assistance and failures during 1990 (in thousands):

- $39,720,255 was reclassified to "Allowance for losses on subrogated claims" from "Estimated cost of unresolved cases" due to the resolution of 315 cases during 1990.
- $122,759 was reclassified to "Net subrogated claims - Depositor claims unpaid" from "Liabilities incurred from assistance and failures" also due to 1990 case resolutions.
- $857,737 of interest expenses were financed through increases in Notes payable.

GAO United States
General Accounting Office
Washington, D.C. 20548

Comptroller General
of the United States

B-240108

To the Board of Directors
Resolution Trust Corporation

We have audited the accompanying statement of financial position of the Resolution Trust Corporation as of December 31, 1990, and the related statement of revenue, expenses, and accumulated deficit and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. In addition, we are reporting on our consideration of the Corporation's internal control structure and on its compliance with laws and regulations.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Due to internal control weaknesses and significant uncertainties affecting the recovery values of troubled real estate assets, we were not able to assess the reasonableness of the Corporation's estimated recoveries from receiverships or its estimated liability for unresolved institutions. Because these control weaknesses and uncertainties could have a material effect on the Corporation's financial statements, we are declining to issue an opinion on whether its statements of financial position and of revenue, expenses and accumulated deficit are fairly presented.

VALUE OF RECOVERIES FROM
RECEIVERSHIP ASSETS UNCERTAIN

Our work indicates that the Corporation's estimated recoveries from receivership assets could be overstated due to the lack of strong internal controls over receivership operations, flaws in the Corporation's methodology for determining the recovery value of receivership assets, and significant uncertainties related to the performance of the economy in general and real estate markets in particular. For institutions already resolved, the Corporation paid out the funds required to settle depositor claims either to the depositors themselves or to the acquirers of the institutions. The Corporation then has a claim against the receivership[1] in the amount of depositor liabilities paid. The Corporation's estimated recoveries from receiverships are recorded as receivables on its balance sheet.

Based on our limited control testing performed in early 1991, we found that receiverships lacked strong controls during 1990 in many key areas related to cash receipts, disbursements, and beginning balances. As a result, we cannot be reasonably sure that the amounts the receiverships reported are accurate or that receiverships have collected all that they should. In response to our initial findings, discussed in greater detail in our report on the Corporation's internal control structure, the Corporation instituted new control policies and procedures in receiverships and consolidated offices. We have expanded our testing of receivership internal control systems in our audit of the Corporation's 1991 financial statements.

We have reservations about the methodology the Corporation used to estimate the recovery value of receivership assets. In general, the Corporation sampled and valued assets from its 20 largest receiverships and then projected the results of the sample to the assets of its 352 receiverships. However, the Corporation cannot state with any confidence that valuation results from this nonstatistical sample of receiverships are representative of the assets of nonsampled receiverships. In addition, the Corporation was unable to reconcile the universe of assets used to select the sample for valuation in individual receiverships with the universe of assets recorded in the Corporation's general ledger at that date. We cannot determine whether these methodological shortcomings had a material effect on the recovery values reported by the Corporation. In response to these concerns, the Corporation changed its methodology for estimating asset recovery values in June 1991. We will evaluate its new procedures in our 1991 financial audit.

We are also concerned with the valuation of individual receivership assets--particularly real estate related assets. At December 31, 1990, Corporation receiverships held assets with a book value of $58 billion, of which $8 billion were real estate owned and another $8 billion were delinquent real estate-backed loans. Many delinquent loans are likely to become receivership owned real estate through foreclosure proceedings. Although the Corporation adjusts receivership assets from book to market value based on appraisals or other standard valuation procedures,

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[1]Corporation receiverships are separate legal entities responsible for managing and selling the failed institution's assets and paying off its creditors. The Corporation has merged about half of its receiverships into 15 consolidated offices.

neither they nor we can be reasonably sure that these values reflect recoveries under present economic conditions.

The continuing weakness in the economy and the seriously over-built real estate market will have a significant effect on Corporation recovery values. The Resolution Trust Corporation, the Federal Deposit Insurance Corporation, and other government and private entities have growing portfolios of troubled assets, including vast amounts of real estate. Given the market problems, the income flows from many of these properties may never support the valuations that were assigned to them when they first entered the government inventory. The Corporation must compete with the growing number of distressed sellers and institutions seeking to liquidate their holdings. To address market problems, the Corporation has adopted a policy of aggressively discounting real estate assets up to 50 percent of appraised value, which could also have a significant effect on recovery values. Due to these factors, many of which are beyond the Corporation's control, the best estimates of recovery values could be significantly overstated.

FUTURE RESOLUTION COSTS UNCERTAIN

To estimate its liability for the cost of unresolved institutions at December 31, 1990, the Corporation used an appropriate methodology. In general, the Corporation assumed that 375 institutions in conservatorship or considered likely conservatorship candidates would require resolution during the period January 1, 1991, through August 9, 1992. In calculating its liability for these resolutions, the Corporation assumed that the losses related to these failures had been incurred as of December 31, 1990, and that it would recover approximately the same percentage of book value from the sale of assets in these institutions as it expected to recover from similar assets in already resolved institutions. The Corporation disclosed in the notes to its statements that another 400 institutions could possibly fail.

The Corporation's estimate of the number of probable and possible thrift failures was determined according to generally accepted accounting principles. However, as with recoveries from already resolved institutions, the accuracy of the Corporation's cost estimates depends on the outcome of various uncertainties, principally the weak economy and depressed real estate markets. Real estate owned and delinquent real estate-backed loans in Corporation conservatorships totaled $9 billion and $8 billion, respectively, at December 31, 1990. The remainder of both probable and possible resolution candidates at that date held $395 billion in assets, nearly 30 percent of which, based on historical percentages, were likely to be real estate and delinquent real estate-backed loans subject to foreclosure. Due to the large exposure to real estate losses, even the best current cost estimates for resolving failed thrifts could be significantly understated. Unexpected losses on asset sales could substantially increase the Corporation's future funding needs. The depressed commercial real estate market and the Corporation's aggressive discounting policy make it likely that additional losses will be incurred.

CORPORATION PRESENTATION OF CERTAIN ASSET PURCHASE TRANSACTIONS IS QUESTIONABLE

The appropriateness of the Corporation's accounting for transactions related to the purchase of assets and assumption of liabilities at resolution is questionable. In general, the Corporation must pay the acquirer of a failed institution's deposit liabilities an amount equal to the deposits accepted. The Corporation then has a claim against the receivership of the failed institution in an amount equal to the total depositor liabilities paid.

In practice, however, the acquiring institution generally accepts some of the failed institution's assets instead of cash for part of the Corporation's payment. In these cases, the Corporation pays the acquirer cash equal to the net amount of liabilities minus assets accepted. The Corporation currently considers an amount equal to the value of the assets transferred as "escrowed funds" held for receiverships and accrues interest on the balances outstanding. We question the Corporation's current policy of offsetting the escrowed fund balances against a portion of the receivables due from receiverships for depositor liabilities paid. This treatment reduced the Corporation's assets and liabilities by $32 billion on its December 31, 1990, balance sheet. We are working with Corporation management to determine how the amounts for assets transferred at resolution should be classified and presented in its financial statements. This accounting issue does not affect the Corporation's reported loss or its accumulated deficit at December 31, 1990.

GAO'S OPINION

Because of the material effect the internal control weaknesses and the uncertainties previously discussed could have on the Corporation's estimated recoveries from the sale of its receivership assets and on its estimated amounts to be paid for unresolved institutions, we are unable to express, and we do not express, an opinion on the Corporation's financial position as of December 31, 1990, or its results of operations for the year then ended. Therefore, we caution users that the Corporation's accompanying statement of financial position and the related statement of revenue, expenses and accumulated deficit have limited reliability. However, in our opinion, the Corporation's statement of cash flows for the year ended December 31, 1990, presents fairly, in all material respects, its cash flows for that period in conformance with generally accepted accounting principles. It should be recognized that the cash flow statement reports only the cash actually received and disbursed by the Corporation. Due to weaknesses in controls previously mentioned, the Corporation may not be recovering all the revenue it should from its receiverships.

Our disclaimer of opinion on the Corporation's statement of financial position as of December 31, 1990, and its statement of revenue, expenses, and accumulated deficit for the year then ended can be removed when, in our judgment, the Corporation has corrected receivership internal control weaknesses and has an adequate historical basis for its loss estimates for resolved and unresolved institutions. The Corporation can only get this experience by selling a significant and representative portion of its real estate and troubled loans secured by real estate in the currently depressed market.

CORPORATION FUNDING NEEDS

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Public Law 101-73, created the Resolution Trust Corporation on August 9, 1989. The Corporation was charged with resolving the problems of failed thrift institutions previously insured by the Federal Savings and Loan Insurance Corporation (FSLIC) and placed in conservatorship or receivership from January 1, 1989, until August 9, 1992. The Corporation's Oversight Board, under the chairmanship of the Secretary of the Treasury, has overall responsibility for the Corporation's activities. The Federal Deposit Insurance Corporation carries out the Resolution Trust Corporation's duties and responsibilities and is reimbursed for all services performed.

The Corporation's 1990 financial statements indicate that it could incur up to $158 billion in losses for required resolution actions. The Corporation estimated that it had already incurred losses of $42 billion for 352 institutions resolved between August 9, 1989, and December 31, 1990. In conjunction with these resolutions, the Corporation recorded a $54 billion liability for Federal Financing Bank (FFB) borrowings that funded the purchase of assets held for sale in Corporation receiverships. The Corporation expected the proceeds from the sale of receivership assets to cover the FFB working capital borrowings. If receivership assets bring in less than expected, the Corporation will have to request additional funding for losses from the Congress to repay FFB borrowings.

The Corporation also accrued a $56 billion liability for the cost of resolving 375 institutions which were in conservatorship or were considered probable future candidates for resolution. In addition, the Corporation recognized the possibility that another 400 open institutions may require government assistance and could result in losses to the Corporation of as much as an additional $60 billion.

The Corporation has been provided with $80 billion[2] to resolve failing thrift institutions and to pay its

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[2]FIRREA provided the Corporation with $50 billion to resolve failed thrift institutions. An additional $30 billion was provided by the Congress as part of the Resolution Trust Corporation Funding Act of 1991.

administrative expenses. On September 12, 1991, the Corporation and its Oversight Board testified before the House Subcommittee on Financial Institutions Supervision, Regulation and Insurance, Committee on Banking, Finance and Urban Affairs. They asked the Congress to provide another $80 billion to cover all of the expected and possible losses associated with the thrift industry cleanup. Of this amount, $60 billion relates to institutions the Corporation did not consider probable or likely resolution candidates at December 31, 1990. We have not independently determined how much of the $60 billion is now required for resolution activity. The Corporation has reported to us that it is nearly out of funds. The Corporation also requested that its working capital borrowing authority be increased to $160 billion. In addition, the Oversight Board requested that the deadline for transferring thrifts to the Corporation for resolution be extended by 1 year. These requests were intended to allow the Corporation to complete the cleanup of insolvent institutions and allow the Savings Association Insurance Fund (SAIF)[3] to assume its responsibilities without a backlog of troubled thrifts to resolve.

How much additional funding the Corporation will require depends on a number of factors, particularly the outcome of the uncertainties related to the economy, the recovery value of assets, and the number and timing of additional thrift failures. These uncertainties also affect the time the Corporation needs to complete its work. Faced with these uncertainties, neither the Oversight Board nor the Corporation can provide assurance that the $80 billion loss fund request will be the final installment in resolving the thrift industry crisis.

Charles A. Bowsher

Charles A. Bowsher
Comptroller General
of the United States

September 16, 1991

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[3]FIRREA created SAIF to replace the Federal Savings and Loan Insurance Corporation as the insurance fund for the thrift industry. However, SAIF has no significant responsibility for assisting and resolving troubled thrifts until August 9, 1992. Although FIRREA provided SAIF with several funding sources, none will supply significant revenue prior to fiscal year 1992. See Financial Audit: Savings Association Insurance Fund's 1989 Financial Statements (GAO/AFMD-91-31, March 1, 1991) for a discussion of SAIF's financial condition and funding mechanisms.

Statistics

RTC Conservatorships January 1, 1990 through December 31, 1990

STATE	ASSOCIATIONS IN CONSERVATORSHIP DECEMBER 31, 1989	ASSOCIATIONS PLACED INTO CONSERVATORSHIP JANUARY 1, 1990 THRU DECEMBER 31, 1990	CONSERVATORSHIP RESOULTIONS JANUARY 1, 1990 THRU DECEMBER 31, 1990				ASSOCIATIONS IN CONSERVATORSHIP DECEMBER 31, 1990
			P&A	IDT	PAYOFF	TOTAL	
TOTALS	281	207	166	96	47	309*	179
ALABAMA	4	2	4			4	2
ALASKA	2		1	1		2	0
ARIZONA	5	3	3	2		5	3
ARKANSAS	10	5	6	3	1	10	5
CALIFORNIA	19	17	10	10	8	28	8
COLORADO	13	4	5	5	3	13	4
CONNECTICUT	2	2	1	1		2	2
FLORIDA	11	14	7	4	1	12	13
GEORGIA	4	2	4	1		5	1
ILLINOIS	21	17	23	7		30	8
INDIANA	2	1	3			3	0
IOWA	2	4	4			4	2
KANSAS	14	3	7	8		15	2
KENTUCKY		1	1			1	0
LOUISIANA	26	13	1	15	4	20	19
MAINE		1					1
MARYLAND	3	3	1	2		3	3
MASSACHUSETTS		4	1	1		2	2
MICHIGAN	2		2			2	0
MINNESOTA	1	3	1	3		4	0
MISSISSIPPI	6	10	3	3	2	8	8
MISSOURI	6	4	5	4		9	1
NEBRASKA	4	3	5	2		7	0
NEW JERSEY	5	12	2		1	3	14
NEW MEXICO	6	4	2	1	3	6	4
NEW YORK	1	7	4			4	4
NORTH CAROLINA	1	4	2			2	3
NORTH DAKOTA		2	1	1		2	0
OHIO	3	4	2		1	3	4
OKLAHOMA	8	3	4	4		8	3
OREGON		2	2			2	0
PENNSYLVANIA	1	4	1			1	4
PUERTO RICO		1	1			1	0
SOUTH CAROLINA	1						1
TENNESSEE	5	2	2	3		5	2
TEXAS	82	37	31	14	22	67	52
UTAH	3	2	4			4	1
VIRGINIA	4	3	4			4	3
WASHINGTON	1	1	2			2	0
WISCONSIN	2		1	1		2	0
WEST VIRGINIA		2	2			2	0
WYOMING	1	1	1		1	2	0

*Does not include 6 non-conservatorship institutions resolved in 1990.
Prepared by: RTC Analysis

New RTC Conservatorships January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Conservatorship	Name of Institution & Location	Gross Assets	Total Liabilities	Total Deposits	Number of Deposits Accounts
04-Jan	Bannerbanc FS & LA, Garland, TX	57,570	64,422	55,453	5,882
04-Jan	First Guaranty FS & LA, Hattiesburg, MS	254,591	255,540	183,934	23,167
04-Jan	Firstcentral Federal Savings Bank, Chariton, IA	116,940	113,545	104,717	14,752
04-Jan	Midwest Federal Savings Bank of Minot, Minot, ND	990,168	1,054,194	577,638	81,187
11-Jan	American FSB, Sanford, ME	52,855	51,055	39,788	8,986
11-Jan	Atlantic Financial Savings, FA, Bala Cynwyd, PA	5,375,666	5,659,090	3,735,748	401,505
11-Jan	Certified FSA, Georgetown, TX	132,001	135,764	91,310	7,603
11-Jan	Deposit Trust Federal Savings Bank, Monroe, LA	101,382	101,031	91,462	9,808
11-Jan	Family Federal Savings Association, Dallas, OR	168,387	169,124	100,645	14,272
11-Jan	Financial FS & LA, Fresno, CA	34,627	34,185	33,641	418
11-Jan	Horizon Savings Bank, F.S.B., Wilmette, IL	1,247,320	1,235,547	1,088,591	136,835
11-Jan	Investment FS & LA, Woodland Hills, CA	250,700	256,303	241,304	12,790
11-Jan	St Louis County Savings Association,F.A., Ferguson	86,147	90,622	80,522	12,246
11-Jan	St. Charles FSA, St. Charles, IL	146,622	155,411	112,750	17,602
11-Jan	Wilshire FS&LA, Los Angeles, CA	79,143	78,592	77,266	1,695
18-Jan	Brookhaven FS&LA, Brookhaven, MS	45,402	44,902	41,859	5,248
18-Jan	Colonial Federal Savings Association, Prairie Vill	137,386	151,065	102,249	12,120
18-Jan	Duval FSA, Jacksonville, FL	1,029,955	1,027,865	857,038	78,229
18-Jan	First Fed. Sav. Assoc. of York, York, NE	61,174	62,106	53,710	9,986
18-Jan	Frontier Federal Savings Bank, Belleville, IL	45,537	47,809	47,334	5,430
18-Jan	Gem City FS & LA, Quincy, IL	292,367	294,089	232,928	30,887
18-Jan	Karnes County FS&LA, Karnes City, TX	55,736	63,648	56,571	7,077
18-Jan	Marshall FS & LA, Marshall, TX	65,314	65,091	57,550	5,303
18-Jan	Standard FSA, Houston, TX	15,087	15,163	15,027	3,594
24-Jan	Empire of America FSB, Buffalo, NY	8,463,382	9,122,962	8,023,975	913,646
26-Jan	Colonial S & LA, F.A., Cape Girardeau, MO	172,215	184,348	157,300	22,015
26-Jan	First Savings Association, F.A., Bismarck, ND	114,269	120,295	99,621	16,840
26-Jan	Grand Prairie FS & LA, Stuttgart, AR	31,512	30,520	24,763	1,914
26-Jan	Palo Duro FS&LA, Amarillo, TX	68,183	69,594	41,538	3,366
26-Jan	Uvalde FS&LA, Uvalde, TX	15,653	16,178	14,280	1,723
26-Jan	Williamsburg FS&LA, Salt Lake City, UT	331,894	326,333	257,107	48,762
31-Jan	Merabank Federal Savings Bank, Phoenix, AZ	6,485,620	6,539,989	4,746,485	766,994
02-Feb	Centrust Federal Savings Bank, Miami, FL	8,275,534	8,038,350	5,922,475	325,915
02-Feb	Clyde Federal Savings Association, North Riverside	577,292	585,747	560,057	60,217
02-Feb	Henderson Home S & LA, F.A., Henderson, KY	52,830	52,401	49,802	6,260
02-Feb	Pioneer Federal Savings Bank, Clearwater, FL	1,985,443	1,940,495	1,419,810	154,782
02-Feb	Sentinel FS & LA, Phoenix, AZ	182,742	176,656	170,234	8,706
09-Feb	Abq Federal Savings Bank, Albuquerque, NM	2,092,179	2,112,431	1,469,705	104,727
09-Feb	American Fed. Sav. Assoc. of Iowa, Des Moines, IA	927,304	907,082	811,767	95,454
09-Feb	Fairmont Federal Savings Association, Fairmont, MN	46,329	48,248	46,247	7,123
09-Feb	Huntington FS & LA, Huntington Beach, CA	121,881	121,028	120,211	6,807
09-Feb	Liberty Savings Bank, FSB, Randallstown, MD	50,967	50,635	41,649	5,817
09-Feb	Vermont SA, FA, Timonium, MD	337,983	352,559	251,874	41,397
16-Feb	Equitable FS & LA, Columbus, NE	74,786	75,610	63,116	13,110
16-Feb	Fidelity Savings Bank, F.S.B., Danville, IL	16,456	16,934	16,307	1,877
16-Feb	Franklin SA, Ottawa, KS	9,361,074	8,870,731	4,656,945	150,938
16-Feb	Freedom SA, FA, Columbus, OH	363,711	378,270	311,860	36,855
16-Feb	Great American S&LA, FA, Oak Park, IL	1,029,927	999,220	732,147	78,826
16-Feb	Heritage FSB of Omaha, Omaha, NE	227,749	225,419	173,842	25,726
16-Feb	State FSA, Tulsa, OK	536,211	521,893	357,837	32,154
16-Feb	Western Empire FS & LA, Yorba Linda, CA	411,765	406,425	317,796	7,158
21-Feb	The Benj. Franklin FS & LA, Portland, OR	4,800,241	4,813,031	3,213,813	440,061
23-Feb	Community Federal Savings Bank, East Moline, IL	112,791	115,718	113,458	22,136
23-Feb	First Atlantic FSA, Plainfield, NJ	1,312,260	1,279,850	1,002,289	120,044
23-Feb	First Federal Sav. Assoc. of Bluefield, Bluefield,	40,727	38,658	32,983	6,021
23-Feb	First Standard Federal Savings Assoc., Fairmont, W	80,834	75,920	75,491	9,967
23-Feb	Frontier FSA, Walla Walla, WA	150,434	145,761	119,111	16,037
23-Feb	Greenwood FS & LA, Greenwood, MS	26,683	28,716	25,476	4,087

New RTC Conservatorships January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Conservatorship	Name of Institution & Location	Gross Assets	Total Liabilities	Total Deposits	Number of Deposits Accounts
23-Feb	Imperial Federal Savings Association, San Diego, C	10,028,051	9,604,675	6,624,900	372,414
23-Feb	Mercury FS & LA, Huntington Beach, CA	2,206,824	2,158,895	1,792,124	174,783
23-Feb	Nowlin FSA, North Richland Hills, TX	224,110	219,058	195,537	16,879
23-Feb	Provident SA, FA, Casper, WY	246,761	248,213	200,107	29,609
23-Feb	Texasbanc FSB, Conroe, TX	325,809	396,208	385,488	33,818
23-Feb	Vanguard SB, FSB, Vandergrift, PA	182,597	176,169	149,018	30,651
02-Mar	Haven S & LA, F.A., Winter Haven, FL	174,384	171,035	145,492	18,926
02-Mar	New Athens FS & LA, New Athens, IL	31,302	31,368	27,643	6,155
02-Mar	North Carolina S & LA, F.A., Charlotte, NC	656,031	638,938	454,574	65,577
02-Mar	Pima FS&LA, Tucson, AZ	2,793,410	2,707,260	2,128,117	164,654
02-Mar	Security Federal Savings Association, Richmond, VA	345,529	343,648	236,689	31,022
09-Mar	Investor Savings Bank, FSB, Nashville, TN	82,460	82,418	65,816	5,367
09-Mar	Nassau FS & LA, Princeton, NJ	324,189	322,013	274,947	36,277
09-Mar	Peoples FSA, Bartlesville, OK	108,147	105,403	90,073	9,024
09-Mar	The Hiawatha Federal Sav. Assoc., Hiawatha, KS	55,891	55,267	54,068	4,039
09-Mar	Westport Federal Savings Bank, Hanford, CA	175,151	174,472	171,487	7,482
09-Mar	Yorkwood FS&LA, Maplewood, NJ	209,686	215,965	190,873	27,179
16-Mar	First America FSB, Longmont, CO	188,486	187,072	146,512	5,560
16-Mar	First FS & LA of Wichita Falls, Wichita Falls, TX	87,532	88,715	87,742	10,696
16-Mar	Great American S & LA, F.A., Corinth, MS	162,653	158,733	133,161	4,513
16-Mar	Lakeland Savings Bank, F.S.B., Detroit Lakes, MN	83,530	85,653	80,242	13,789
16-Mar	Nassau S & LA, Brooklyn, NY	307,532	305,965	299,510	45,245
16-Mar	Pacific Coast FSA of America, San Francisco, CA	1,053,580	1,025,283	633,288	47,704
16-Mar	Sun Federal Savings Association, Fort Dodge, IA	25,035	23,901	18,887	2,060
16-Mar	United Federal Savings, F.A., New Orleans, LA	54,748	53,902	43,358	8,942
16-Mar	Whitestone FS & LA, Whitestone, NY	405,547	431,874	352,276	48,015
05-Apr	Colony FSB, Monaca, PA	434,023	449,086	327,247	57,541
12-Apr	Constitution Federal Savings Assoc., Tustin, CA	66,743	66,541	64,727	5,222
12-Apr	First Federal Savings Association, Warner Robins,	160,873	154,796	143,600	21,486
20-Apr	Enterprise Federal, F.S.A., Clearwater, FL	63,804	63,797	44,697	3,028
20-Apr	First Network Federal Savings Bank, Los Angeles, C	413,536	399,645	393,541	13,269
20-Apr	First S&L Company, FA, Massillon, OH	173,792	171,642	157,381	28,979
20-Apr	Heritage FSA, Lamar, CO	48,761	47,925	44,061	870
20-Apr	Southeastern Federal Savings Bank, Laurel, MS	50,553	50,137	38,414	1,788
20-Apr	Texas FSA, San Antonio, TX	57,910	62,120	60,261	1,660
27-Apr	Home Owners Savings Bank F.S.B., Boston, MA	3,515,960	3,474,494	2,706,074	185,579
27-Apr	Santa Barbara FS&LA, Santa Barbara, CA	4,242,410	4,266,511	1,744,566	160,328
04-May	Capitol FS&LA, Aurora, CO	1,025,024	1,053,920	760,330	96,754
04-May	First Federal Savings Bank and Trust, Kansas City,	28,670	27,288	20,981	2,119
04-May	Mutual Aide S&LA, Manasquan, NJ	107,363	106,564	104,659	16,772
04-May	Peninsula S & LA, South San Francisco, CA	51,973	51,744	46,142	2,473
04-May	Security Federal Savings Bank, Carlsbad, NM	27,926	35,271	34,063	3,193
08-May	Mississippi Savings Bank, F.S.B., Batesville, MS	180,965	170,786	148,554	3,356
11-May	First FSA of Breaux Bridge, Breaux Bridge, LA	20,442	20,988	20,900	2,016
11-May	Great West, a FSB, Craig, CO	33,697	32,539	30,654	8,023
11-May	The Federal Savings Banc, FA, Arlington, TX	139,215	135,296	123,085	21,368
11-May	United Savings Bank, F.S.B., Windom, MN	172,571	173,019	132,754	10,655
15-May	United Savings, FSB, Patterson, NJ	251,174	245,016	244,245	38,001
18-May	First FSA, Borger, TX	66,439	68,704	52,882	7,249
18-May	First FSA of Conroe, Conroe, TX	178,895	177,552	145,135	14,405
18-May	Jennings FSA, Jennings, LA	57,228	56,242	55,744	8,389
18-May	Jonesboro FSA, Jonesboro, LA	56,415	55,204	54,057	6,796
18-May	Southwest FSA, Dallas, TX	5,485,353	5,589,908	3,733,993	230,157
25-May	American Pioneer FSB, Orlando, FL	1,631,547	1,673,640	1,361,456	111,085
25-May	Bank Usa Savings Association, Silvis, IL	24,311	22,236	20,827	2,672
25-May	Caguas-Central Fed Sav Bank of PR, Caguas, PR	1,667,325	1,594,658	1,254,933	140,788
25-May	First America Savings Bank, F.S.B., Fort Smith, AR	468,141	462,251	438,142	79,574
25-May	First Federal Savings, F.S.A, New Braunfels, TX	237,861	232,652	207,142	24,794

New RTC Conservatorships January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Conservatorship	Name of Institution & Location	Gross Assets	Total Liabilities	Total Deposits	Number of Deposits Accounts
25-May	Remington Federal Savings Association, Elgin, TX	130,269	139,990	113,704	9,145
01-Jun	First FSB of Annapolis, Annapolis, MD	738,365	728,833	613,852	60,289
01-Jun	Great Life F.S.A., Sunrise, FL	43,561	43,980	36,131	3,020
01-Jun	Investors Federal Savings Bank, Deerfield Beach, F	284,925	283,641	238,881	6,045
01-Jun	Mutual S&LA, FA, Weatherford, TX	110,866	106,622	91,971	11,866
01-Jun	Time FS & LA, San Francisco, CA	58,275	57,928	53,942	5,504
08-Jun	First Bankers Trust & SA, F.A., Midland, TX	106,417	104,535	92,862	10,661
08-Jun	Home F.S.B. of Worcester, Worcester, MA	265,489	247,476	242,416	40,110
08-Jun	Hometown Savings Bank, FSB, Delphi, IN	64,866	63,659	58,399	8,671
15-Jun	Charter Savings Bank, FSB, Newport Beach, CA	315,757	302,879	281,946	23,945
15-Jun	First SB of New Orleans, FSB, Metairie, LA	174,913	171,486	133,484	9,696
15-Jun	Moultrie Savings Bank, FSB, Moultrie, GA	66,949	67,341	52,575	7,705
15-Jun	United S&L of Trenton, F.A., Trenton, NJ	289,011	288,530	273,513	50,725
22-Jun	Germaniabank, a FSB, Alton, IL	820,377	796,326	658,631	78,008
22-Jun	Southern FSB, Gulfport, MS	143,819	140,907	93,636	16,361
29-Jun	Charter Fed. Sav. Assoc., Stamford, CT	106,271	103,536	83,221	5,526
29-Jun	First Jackson FSB, Jackson, MS	118,097	113,641	91,190	10,673
29-Jun	Pioneer FS & LA, Marietta, OH	10,863	9,336	9,113	1,413
29-Jun	Travis FS & LA, San Antonio, TX	333,551	320,014	271,250	19,518
29-Jun	Windsor FSA, Austin, TX	118,746	118,638	102,545	5,797
05-Jul	Home SB, FSB, Salt Lake City, UT	13,343	12,869	9,755	963
06-Jul	Heritage FSA, Lancaster, PA	50,110	50,859	50,435	8,367
13-Jul	Capitol-Union FSA, Baton Rouge, LA	410,321	407,749	321,744	39,087
13-Jul	North Texas FSA, Wichita Falls, TX	98,520	101,427	94,692	10,485
13-Jul	Progressive SB, FSB, Natchitoches, LA	53,676	54,414	46,489	5,327
13-Jul	Summit First S & LA, FA, Summit, IL	59,007	59,422	54,587	6,674
20-Jul	Charter SB, FSB, Hattiesburg, MS	135,536	136,015	68,813	5,942
20-Jul	Commonwealth FSA, New Orleans, LA	50,933	47,561	44,125	3,880
20-Jul	Mainstay Federal Savings, FSB, Red Bank, NJ	234,722	219,693	165,136	12,778
27-Jul	Citizens & Builders FS, FSB, Pensacola, FL	120,258	122,578	97,678	12,019
27-Jul	Guaranty Savings Bank, FSB, Fayetteville, NC	54,862	56,467	49,547	5,415
27-Jul	Professional FSB, Coral Gables, FL	704,903	726,477	615,417	53,917
27-Jul	Statesman Federal Savings Bank, Waterloo, IA	572,241	526,882	442,979	69,404
31-Jul	United FSB, Vienna, VA	428,574	414,947	352,872	46,081
03-Aug	Amigo FS&LA, Brownsville, TX	21,006	20,955	20,439	3,809
03-Aug	Hometown FSA, Winfield, IL	47,105	46,032	39,362	4,284
03-Aug	Tennessee FSB, Cookeville, TN	40,576	40,238	36,023	4,676
10-Aug	American SA of Mt Carmel, FA, Mt Carmel, IL	11,946	11,853	11,763	1,978
10-Aug	Superior SB, FSB, Nacogdoches, TX	82,686	77,917	76,901	9,095
17-Aug	Financial Savings of Hartford, FSB, Hartford, CT	22,308	21,768	17,502	815
17-Aug	First FSA of Tuscola, Tuscola, IL	23,859	23,653	23,414	3,178
24-Aug	Ambassador FS & LA, Tamarac, FL	186,545	190,616	161,204	21,689
24-Aug	Broken Arrow Savings Assoc.,FA, Broken Arrow, OK	27,555	27,301	23,030	2,360
24-Aug	First FS&LA, Temple, TX	342,710	328,614	324,320	25,760
31-Aug	Atlanta FSA, Atlanta, TX	93,606	90,506	89,280	8,374
31-Aug	Ensign FSB, New York, NY	1,819,847	1,794,963	1,467,190	168,520
31-Aug	First American FSB, Santa Fe, NM	131,941	128,575	108,866	3,354
31-Aug	First FSA, Winnfield, LA	56,029	56,449	51,059	6,888
07-Sep	El Paso FSA, El Paso, TX	468,207	440,342	369,933	24,792
07-Sep	First City FSB, Lucedale, MS	42,200	41,214	37,737	5,553
14-Sep	First SB of Hempstead, FSB, Hempstead, TX	36,683	35,597	30,709	4,311
21-Sep	Hidalgo S&LA, Edinburg, TX	156,043	153,759	121,321	10,386
21-Sep	Mercer FSB, Trenton, NJ	94,283	92,451	83,277	10,334
21-Sep	Sentry SB, FSB, Hyannis, MA	762,598	737,414	586,822	73,861
21-Sep	Texas Commercial SA, Sulphur Springs, TX	28,020	27,537	26,813	1,997
21-Sep	Yorkville FS&LA, Bronx, NY	392,583	367,035	344,774	56,486
12-Oct	International FS&LA, North Miami Beach, FL	89,155	86,868	80,866	3,715
19-Oct	Gold Coast FSB, Plantation, FL	155,669	156,532	140,637	10,677

New RTC Conservatorships January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Conservatorship	Name of Institution & Location	Gross Assets	Total Liabilities	Total Deposits	Number of Deposits Accounts
19-Oct	Heritage FSB, Richmond, VA	900,659	882,175	723,481	52,419
23-Oct	Superior FSA, Cleveland, OH	95,544	95,674	57,647	3,440
26-Oct	City S&LA, San Antonio, TX	193,332	184,916	182,301	15,809
26-Oct	Rancho Bernardo Fed. Savings Bank, San Diego, CA	119,550	119,444	113,036	4,895
02-Nov	Boonslick S & LA, Boonville, MO	70,956	70,515	69,728	10,607
02-Nov	Desoto FS&LA, Mansfield, LA	64,875	63,795	62,892	7,342
02-Nov	Riverside SB, SLA, Riverside, NJ	188,738	187,267	144,297	29,964
09-Nov	Executive Banc SA, FA, New Braunfels, TX	17,750	16,317	15,492	1,830
09-Nov	Florida FSB, FSB, St Petersburg, FL	4,197,358	4,189,008	2,258,609	221,329
09-Nov	Louisiana SB, FSB, Kenner, LA	59,747	58,745	50,216	3,560
15-Nov	Action FSB, Somers Point, NJ	271,519	261,140	197,571	29,816
16-Nov	First Federal Savings Assoc., Las Vegas, NM	57,192	54,918	41,172	6,730
16-Nov	Liberty Federal Savings Bank, Huntington Park, CA	53,943	53,121	51,688	2,774
16-Nov	Southeastern FSB, Charlotte, NC	435,340	424,599	367,628	50,141
30-Nov	Atascosa SA, Jourdanton, TX	34,868	34,571	32,584	5,272
30-Nov	Edison FSA, New York, NY	140,499	139,599	113,650	18,062
30-Nov	First FSA of Nacogdoches, Nacogdoches, TX	62,927	61,884	51,311	3,884
30-Nov	First SA, FA, Paragould, AR	65,842	63,510	46,622	6,293
30-Nov	First Southwest FS&LA, Tyler, TX	53,433	53,056	44,532	5,735
30-Nov	San Jacinto SA, FA, Bellaire, TX	3,521,023	3,317,314	2,775,701	85,153
30-Nov	Tuskegee S&LA, FA, Tuskegee Institute, AL	33,004	31,791	28,475	9,683
07-Dec	Andrews S&LA, FA, Andrews, TX	129,170	126,236	109,104	8,734
07-Dec	Central FSB, Long Beach, NY	902,821	947,846	838,114	107,778
07-Dec	First FSA of Raleigh, Raleigh, NC	578,291	532,651	423,627	60,886
07-Dec	Texarkana FS&LA, FA, Texarkana, AR	45,497	43,605	42,598	2,810
14-Dec	Comfed SB, FA, Lowell, MA	1,516,547	1,432,278	973,467	115,357
14-Dec	Empire FS, FSB, Hammonton, NJ	225,079	218,239	192,952	35,799
14-Dec	Home FSB, FA, Waukegan, IL	358,138	339,705	195,322	24,062
14-Dec	Old Borough FS&LA, Trenton, NJ	135,761	137,418	116,000	19,934
14-Dec	Olympic FSA, Berwyn, IL	1,074,087	1,042,479	680,512	96,550
21-Dec	Arkansas FSB, FA, Little Rock, AR	74,725	73,445	61,503	5,204
28-Dec	First FS&LA of Andalusia, FA, Andalusia, AL	39,690	38,604	37,573	4,998
28-Dec	Southern FS, New Orleans, LA	235,219	230,777	228,664	35,151
TOTALS	**207 Institutions**	**$129,778,490**	**$128,889,934**	**$94,826,424**	**9,218,763**

Notes:
Data based on TFR data for the quarter prior to conservatorship

Prepared by RTC Analysis

RTC Resolutions January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Resolution	Name of Institution and Location	Type	Gross Assets	Total Liabilities	Total Deposits	Number of Deposit Accounts	Estimated Cost of Resolution	Acquiring Institution and Location
12-Jan	Peoples Heritage, Salina, KS	IDT	1,383,216	1,636,719	1,324,861	95,909	957,557	Branch Sale
12-Jan	First FSB of AK, SB, Anchorage, AK	PA	174,165	227,325	162,655	32,949	129,499	First NB of Anchorage, Anchorage, AK
12-Jan	Home SB, FSB, Anchorage, AK	IDT	81,552	96,488	63,464	5,194	45,180	Security Pacific Bank AK, NA, Anchorage, AK
26-Jan	Universal S&LA, Scottsdale, AZ	PA	77,466	92,473	88,172	7,954	25,110	First Arizona S&LA, Glendale, AZ
26-Jan	Modern FS&LA, Grand Junction, CO	PA	58,079	59,722	55,667	8,307	6,965	Centennial SB, Durango, CO
02-Feb	Bright Banc SA, Dallas, TX	PA	3,183,214	3,793,621	2,707,743	259,986	1,383,879	Banc One, FSB, Dallas, TX
02-Feb	Valley FS&LA, Grand Junction, CO	IDT	67,442	135,107	90,747	14,179	79,859	Mesa NB, Grand Junction, CO
02-Feb	Peoples SA, FA, St. Joseph, MI	PA	75,261	84,609	84,014	12,285	5,579	Peoples SB, St. Joseph, MI
02-Feb	Mesa FS&LA of CO, Grand Junction, CO	IDT	105,734	107,135	93,427	14,047	11,833	Mesa NB, Grand Junction, CO
06-Feb	Skokie FS&LA, Skokie, IL	PA	747,218	777,087	534,336	77,832	168,414	Affiliated Bank/North Shore Natl, Chicago, IL
09-Feb	Community S&LA, Fond Du Lac, WI	PA	142,974	161,157	146,870	27,926	36,744	Bank One Wisconsin Corp., Milwaukee, WI
09-Feb	Colorado S&LA, Englewood, CO	PA	45,978	53,412	48,227	2,064	18,207	Colorado SB, FSB of Grand County, Granby, CO
02-Mar	Centennial FS&LA, Greenville, TX	PA	59,608	76,710	73,133	6,793	30,968	NCNB TX NB, Dallas, TX
09-Mar	San Antonio SA, San Antonio, TX	PA	2,227,047	2,687,801	1,901,593	273,324	891,600	First Gibraltar Bank, FSB, Dallas, TX
16-Mar	Bankers S&LA, Galveston, TX	PA	93,844	105,792	102,876	8,343	22,698	NCNB TX NB, Dallas, TX
12-Apr	Columbia FSB, Westport, CT	PA	115,596	142,104	137,880	14,667	30,341	Gateway Bank, South Norwalk, CT
13-Apr	Meridian SA, Arlington, TX	IDT	252,121	662,998	352,089	6,233	417,833	NCNB TX NB, Dallas, TX
20-Apr	First FS&LA of Hutchinson, Hutchinson, KS	PA	135,878	187,966	160,570	17,843	71,993	Union NB, Witchita, KS
20-Apr	Bedford SA, Bedford, TX	PA	94,928	117,162	80,143	5,872	59,842	First American Savings Banc, North Richland Hills, TX
20-Apr	Baltimore Fed. Fin., FSA, Baltimore, MD	IDT	1,129,384	1,373,829	871,297	166,031	323,215	Household Bank, FSB, Newport Beach, CA
27-Apr	Westco Savings Bank, FSB, Wilmington, CA	IDT	130,070	144,581	116,395	11,081	26,055	Frontier Bank, NA, La Palma, CA
27-Apr	Heritagebanc SA, Duncanville, TX	PA	150,569	178,698	141,804	17,432	56,385	NCNB TX NB, Dallas, TX
27-Apr	New Guaranty FS&LA, Taylor, MI	PA	185,104	198,533	167,132	19,103	25,479	National Bank of Detroit, Detroit, MI
27-Apr	Financial FS&LA, Joplin, MO	PA	142,612	178,480	148,389	29,418	59,937	Farm & Home Savings, Kansas City, MO
27-Apr	Libertyville FS&LA, Libertyville, IL	PA	68,797	83,213	82,302	13,263	9,395	Harris Bank Libertyville, Libertyville, IL
27-Apr	The Guardian FS&LA, Bakersfield, CA	IDT	27,952	29,533	29,400	476	18,726	Bank of America NTSA, San Francisco, CA
27-Apr	Mid Missouri S&LA, FA, Boonville, MO	IDT	46,228	60,725	49,792	5,017	15,311	United S&LA, Lebanon, MO
27-Apr	First FS&LA, Bakersfield, CA	PA	105,667	117,728	114,208	11,168	15,817	Bank of America NTSA, San Francisco, CA
27-Apr	First FS&LA of the FL Keys, Key West, FL	PA	160,097	207,674	140,224	22,125	65,662	Barnett Bank of the Keys, Key West, FL
04-May	The Barber County S&LA, Medicine Lodge, KS	IDT	40,918	46,439	37,970	4,283	15,262	First NB, Medicine Lodge, KS
04-May	Fidelity FSB, Corinth, MS	PA	76,376	147,389	119,150	7,517	90,733	BankSouth, FSB, Corinth, MS
04-May	American Interstate SA, Los Angeles, CA	PO	21,157	21,696	20,321	218	2,061	None
04-May	Peoples S&LA, Parsons, KS	IDT	53,208	62,604	59,473	9,582	14,727	Branch Sale
04-May	Security FSA, Garden Grove, CA	IDT	66,830	69,887	68,947	5,457	2,934	ITT FB, FSB, Irvine, CA
04-May	First FS&LA of East Alton, East Alton, IL	IDT	37,231	41,672	41,171	5,615	8,286	Illinois State B&T, East Alton, IL
04-May	First State FSA, San Antonio, TX	PA	254,039	393,390	301,018	8,141	271,276	Bank One, TX, NA, Dallas, TX
04-May	Sierra FS&LA, Beverly Hills, CA	PA	29,453	33,555	23,295	1,004	7,718	Sun SB, FSB, Los Angeles, CA
04-May	Guaranty FS&LA, Birmingham, AL	PA	281,872	332,406	302,092	39,563	86,356	SouthTrust affiliated banks, Birmingham, AL
04-May	Arrowhead Pacific FSB, San Bernardino, CA	PO	62,280	95,752	82,235	6,269	35,916	None
04-May	La Hacienda SA, San Antonio, TX	IDT	65,566	138,794	97,866	2,950	94,743	First Community Bank, NA, Alice, TX
04-May	Mission SA, San Antonio, TX	PO	54,605	97,983	73,118	2,005	64,755	None
04-May	United Guaranty FSB, Tullahoma, TN	IDT	6,383	8,370	8,328	847	2,646	Franklin County Bank, Winchester, TN
04-May	Mid America FS&LA, Parsons, KS	IDT	69,153	75,369	72,657	13,114	9,906	Branch Sale
08-May	Peoples S&LA, FA, Streator, IL	IDT	34,349	37,164	21,140	2,263	17,600	Branch Sale

RTC Resolutions January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Resolution	Name of Institution and Location	Type	Gross Assets	Total Liabilities	Total Deposits	Number of Deposit Accounts	Estimated Cost of Resolution	Acquiring Institution and Location
08-May	Home FS&LA, Centralia, IL	IDT	37,474	40,470	37,345	6,927	6,733	Magna Bank, Centralia, IL
11-May	Cross Roads S&LA, Checotah, OK	IDT	13,355	21,656	16,007	611	11,150	Peoples NB, Checotah, OK
11-May	Platte Valley Savings, Gering, NE	IDT	266,753	360,986	234,908	15,122	169,145	First NB&TC, North Platte, NE
11-May	Peoples FS&LA of Thibodaux, Thibodaux, LA	IDT	18,291	21,005	16,924	2,856	9,964	First Interstate Bk of S. LA, Thibodaux, LA
11-May	Cabrillo FSB, San Jose, CA	PA	47,906	50,124	39,690	4,718	2,025	Financial Center Bank, NA, San Francisco, CA
11-May	Sun SA, FA, Kansas City, KS	IDT	148,798	179,143	125,607	12,635	65,500	Brotherhood B&TC, Kansas City, KS
11-May	State Mutual FS&LA, Jackson, MS	PA	6,552	9,010	6,430	1,585	5,866	First Commerce SB, Jackson, MS
11-May	First Equity SA, Tomball, TX	PA	80,236	138,878	114,457	9,881	79,764	Kilgore FS&LA, Kilgore, TX
11-May	First FS&LA, Eunice, LA	IDT	12,624	15,730	15,674	1,731	7,539	Guaranty Bank of Mamou, Mamou, LA
11-May	Washington S&LA, Stockton, CA	IDT	69,303	72,899	70,325	6,883	4,653	Security Pacific NB, NA, Los Angeles, CA
11-May	Topeka Savings FS&LA, Topeka, KS	IDT	86,975	119,844	100,861	7,589	47,439	Bank IV Topeka, NA, Topeka, KS
11-May	Royal Oak S&LA, Manteca, CA	IDT	21,574	24,120	20,429	3,569	2,751	Bank of Stockton, Stockton, CA
14-May	Ameriway SA, Houston, TX	PA	133,003	262,065	207,439	10,202	173,444	United SA of the SW, FSB, Houston, TX
15-May	Amerimac SB, FS, Hillsboro, IL	IDT	15,763	24,380	17,501	2,547	10,358	Security SB, FSB, Hillsboro, IL
16-May	Hallmark SA, FA, Plano, TX	PO	137,060	205,130	123,831	1,333	117,046	None
18-May	Broadview FSB, FA, Cleveland, OH	PA	1,327,992	1,362,233	811,384	105,598	187,967	First FSB, Cleveland, OH
18-May	Pioneer Savings, FA, Plymouth, IN	PA	73,795	85,092	84,237	12,443	9,264	Ameritrust NB, Elkhart, IN
18-May	City FS&LA, Oakland, CA	IDT	18,213	29,411	29,254	3,654	11,897	Mission NB, San Francisco, CA
18-May	First FS&LA of Southeast MO, Cape Girardeau, MO	PA	270,150	325,367	287,082	64,706	68,321	County Bank of Cape Girardeau, Jackson, MS
18-May	Germantown Trust SB, Germantown, TN	IDT	112,421	120,730	90,124	6,579	34,570	National Bank of Commerce, Memphis, TN
18-May	Phenix FS&LA, FA, Phenix City, AL	PA	131,667	167,794	166,110	20,085	74,364	Branch Sale
18-May	Horizon FS&LA, Metairie, LA	PO	361,122	500,295	347,509	16,250	442,180	None
18-May	Shawnee FS&LA, Topeka, KS	PA	220,589	226,725	189,005	23,581	18,200	Bank IV Topeka, NA, Topeka, KS
18-May	Midwest FS&LA, Nebraska City, NE	IDT	105,336	133,793	95,578	14,108	37,143	American NB, Nebraska City, NE
18-May	Community FS&LA, Newport News, VA	PA	8,881	10,050	8,743	1,262	1,606	Consolidated B&TC, Richmond, VA
18-May	Cornerstone FSA, Houston, TX	PA	83,651	93,747	84,492	1,306	24,270	Great Southwest Savings, FA, Houston, TX
18-May	American Savings of CO, Colorado Springs, CO	PA	823,817	911,182	724,541	39,272	338,847	World S&LA, Oakland, CA
18-May	Madison County FS&LA, Granite City, IL	IDT	107,000	120,482	108,805	18,829	27,292	Branch Sale
18-May	Peoples S&LA, Hampton, VA	PA	21,038	22,170	21,853	2,844	4,092	Consolidated B&TC, Richmond, VA
22-May	North American FSA, San Antonio, TX	PO	62,867	90,923	62,654	3,116	43,121	None
25-May	Mountainwest S&LA, FS&LA, Ogden, UT	PA	159,623	211,645	158,594	25,423	67,159	Mountainwest Financial, Sandy, UT
25-May	Otero Savings, Colorado Springs, CO	IDT	436,053	555,430	375,473	31,471	256,880	Branch Sale
25-May	Horizon Financial, FA, Southampton, PA	PA	1,888,825	2,139,488	1,501,597	268,758	332,758	Branch Sale
25-May	Family SB, FSB, Sapulpa, OK	IDT	50,899	51,314	50,834	9,093	3,053	American NB&T, Sapulpa, OK
25-May	First FS&LA of Brenham, Brenham, TX	IDT	113,717	124,729	123,735	16,599	36,799	Kilgore FS&LA, Kilgore, TX
25-May	Durand FS&LA, Durand, WI	IDT	92,188	113,997	90,871	29,499	49,448	Branch Sale
25-May	Hearne B&LA, Hearne, TX	PO	24,059	25,086	24,918	1,736	5,263	None
25-May	Financial Security FS&LA, Delray Beach, FL	PA	96,001	125,961	124,179	8,466	46,519	Essex SB, FSB, Delray Beach, FL
25-May	Deseret S&LA, FA, Salt Lake City, UT	PA	133,834	222,863	149,400	28,100	99,204	Zions First NB, Salt Lake City, UT
25-May	First FS&LA, Atlanta, GA	IDT	177,034	206,654	163,775	21,808	35,302	Merchant Bank of Atlanta, Atlanta, GA
29-May	Concordia FB for Savings, Lansing, IL	PA	380,758	425,634	300,283	48,316	89,817	Advance FB for Savings, Lansing, IL
31-May	Sun Country SB of NM, FSB, Albuquerque, NM	PO	59,721	96,934	69,033	6,127	44,655	None
31-May	Western S&LA, FA, Phoenix, AZ	PA	4,882,487	5,233,928	3,650,338	362,240	1,728,119	Bank of America, AZ, Phoenix, AZ
01-Jun	FSA of the Southwest, Kilgore, TX	IDT	42,258	44,556	43,480	2,154	14,960	Kilgore FS&LA, Kilgore, TX
01-Jun	First of Kansas, FA, Hays, KS	IDT	38,336	43,010	37,237	5,006	6,493	First NB&T, Salina, KS
01-Jun	Lafayette S&LA, Gretna, LA	IDT	23,844	25,047	23,159	2,656	7,779	Algiers Homestead Association, New Orleans, LA
01-Jun	Spindletop SA, Beaumont, TX	IDT	233,641	343,837	277,403	8,771	250,078	First City Bank, NA, Beaumont, TX
01-Jun	Saratoga S&LA, San Jose, CA	IDT	94,513	90,336	81,656	2,068	11,133	Pacific Western Bank, San Cruz, CA

RTC Resolutions January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Resolution	Name of Institution and Location	Type	Gross Assets	Total Liabilities	Total Deposits	Number of Deposit Accounts	Estimated Cost of Resolution	Acquiring Institution and Location
01-Jun	Financial S&LA, Fresno, CA	PO	28,833	31,666	31,225	384	4,690	None
01-Jun	Fountainbleau FSB, Slidell, LA	IDT	32,003	45,885	32,361	2,577	26,582	Fountainbleau Community Bank, Slidell, LA
01-Jun	First Venice S&LA, Venice, FL	PA	51,383	57,711	57,262	6,285	5,339	NBD Florida, FSB, Venice, FL
01-Jun	New Braunfels S&LA, New Braunfels, TX	IDT	53,213	77,970	55,786	2,639	43,764	Victoria B&TC, New Braunfels, TX
08-Jun	Lincoln S&LA, FA, Miami, FL	IDT	188,298	203,829	190,429	13,023	59,418	Barnett Bank of South Florida, Miami, FL
08-Jun	Guadalupe S&LA, FA, Kerrville, TX	PO	26,016	26,748	17,299	1,839	5,402	None
08-Jun	Brickellbanc SA, Miami, FL	IDT	34,496	44,393	32,828	2,586	12,073	Helm Bank, Miami, FL
08-Jun	American FS&LA, Albuquerque, NM	PA	133,749	160,555	123,711	8,303	50,969	First NB in Albuquerque, Albuquerque, NM
08-Jun	American Savings FS&LA, Salt Lake City, UT	PA	1,803,605	1,978,271	1,286,045	215,938	284,421	Pacific First FSB, Seattle, WA
08-Jun	Gibraltar S&LA, Annapolis, MD	PA	28,462	33,498	30,052	5,664	9,644	Annapolis NB, Annapolis, MD
08-Jun	East Texas S&LA, Tyler, TX	PA	360,289	368,956	210,141	22,458	86,393	NCNB TX NB, Dallas, TX
08-Jun	Royal Palm FS&LA, West Palm Beach, FL	IDT	493,628	530,672	357,650	22,642	153,679	Barnett Bank of Palm Beach, Palm Beach, FL
08-Jun	Aspen SB, FSB, Aspen, CO	IDT	342,956	380,544	340,614	62,453	31,848	The Bank of Aspen, Aspen, CO
08-Jun	Valley SB, FSB, Roswell, NM	PO	147,670	262,996	244,031	22,656	130,502	None
08-Jun	American S&LA, FA, New Orleans, LA	IDT	59,478	68,216	62,351	2,895	33,537	Gulf Coast B&TC, New Orleans, LA
08-Jun	Gateway FSB, Oakland, CA	PA	62,053	129,925	69,673	3,579	68,864	Gateway Bank, FSB, San Francisco, CA
08-Jun	First FS&LA, Largo, FL	IDT	255,542	353,587	344,938	33,586	106,063	Barnett Bank of Pinnelas County, St. Petersburg, FL
08-Jun	Murray FS&LA, Dallas, TX	PA	1,069,098	1,261,749	1,158,831	88,745	504,185	United SA of the SW, FSB, Houston, TX
08-Jun	Southside FS&LA, Austin, TX	PO	45,268	49,987	35,350	2,881	17,415	None
15-Jun	Plano S&LA, FA, Plano, TX	IDT	267,453	276,858	255,495	15,368	131,338	First Gibraltar Bank, FSB, Plano, TX
15-Jun	First FS&LA, Estherville, IA	PA	50,947	52,386	50,350	7,266	9,797	Branch Sale
15-Jun	Home FS&LA, Memphis, TN	PA	183,761	208,954	163,826	4,002	34,555	First Commercial Bk at Memphis, Memphis, TN
15-Jun	Bexar SA, San Antonio, TX	PA	940,138	987,427	806,192	28,728	482,614	Sunbelt Savings, Dallas, TX
15-Jun	First FSB, Diamondville, WY	PO	21,497	21,484	18,502	1,835	11,326	None
15-Jun	Family FS&LA, Shreveport, LA	IDT	26,650	29,182	21,460	1,643	15,122	City B&T of Shreveport, Shreveport, LA
15-Jun	Unifirst Bank for Savings, Jackson, MS	PA	700,810	733,184	550,789	75,248	121,601	Branch Sale
15-Jun	First S&LA, FA, Waco, TX	PA	375,400	411,338	405,949	45,406	137,564	Kilgore FS&LA, Kilgore, TX
15-Jun	Lincoln FS&LA, Mt. Carmel, TN	IDT	51,198	58,409	41,844	5,742	15,982	Executive Park NB, Kingsport, TN
15-Jun	Century FSB, Trenton, TN	PA	60,417	71,898	61,783	6,163	20,750	Security Bank, Newbern, TN
15-Jun	Sentinel FS&LA, Phoenix, AZ	IDT	172,168	169,759	164,159	8,130	27,486	Biltmore Investors Bank, NA, Phoenix, AZ
15-Jun	New Mexico FSA, Albuquerque, NM	PA	186,674	209,982	176,981	20,427	48,745	First NB, Albuquerque, NM
15-Jun	Gill SA, San Antonio, TX	PA	1,081,182	1,983,605	1,297,128	53,221	1,238,087	Sunbelt Savings, Dallas, TX
15-Jun	First Savings of Laredo, Laredo, TX	PO	175,564	184,409	143,303	4,523	69,587	None
15-Jun	Blue Valley FS&LA, Kansas City, MO	IDT	698,924	800,227	689,676	103,667	223,614	Branch Sale
19-Jun	American Security FS&LA, Chicago, IL	PA	32,914	38,875	38,261	4,327	5,726	Marquette NB, Chicago, IL
22-Jun	Alpine Savings, Steamboat Springs, CO	PO	45,507	52,849	36,106	5,339	10,888	None
22-Jun	Equitable FS&LA, Columbus, NE	PA	71,715	72,849	60,599	12,516	8,427	Conservative SB, Omaha, NE
22-Jun	Cass FS&LA of St. Louis, Florissant, MO	IDT	47,551	60,262	58,780	8,111	15,123	First Exchange Bank, Florissant, MO
22-Jun	Unipoint FSB, Trumann, AR	PA	14,463	30,823	25,470	3,717	17,637	UNICO Bank, FSB, Trumann, AK
22-Jun	Taylorbanc FS&LA, Taylor, TX	PA	138,173	147,905	129,241	15,668	36,499	Kilgore FS&LA, Kilgore, TX
22-Jun	Landmark SB, FSB, Hot Springs, AR	PA	115,787	163,553	130,113	16,007	81,381	Branch Sale
22-Jun	Home S&LA, New Orleans, LA	PO	30,534	34,660	32,314	1,778	18,711	None
22-Jun	Central S&LA, New Orleans, LA	IDT	52,266	71,381	56,423	9,338	34,893	Gulf Coast B&TC, New Orleans, LA
22-Jun	First FS&LA, Summerville, GA	PA	26,604	32,258	31,583	6,093	7,180	InterFederal SB, Chatanooga, TN
22-Jun	Occidental SB, Omaha, NE	PA	577,819	678,307	512,044	82,088	148,119	Firstier SB, FSB, Omaha, NE
22-Jun	Frontier FS&LA, Walla Walla, WA	PA	156,887	150,935	121,534	15,445	3,402	Washington Mutual, FSB, Seattle, WA
22-Jun	Wilshire S&LA, Los Angeles, CA	PO	80,878	81,562	75,564	1,545	2,781	None
22-Jun	Huntington S&LA, Huntington Beach, CA	PA	115,505	114,745	114,063	6,344	4,464	American SB, Stockton, CA
22-Jun	Citizens S&LA, Springfield, IL	PA	77,817	81,026	69,425	8,051	4,966	Magna Bank, Springfield, IL

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(Dollars in thousands)

Date of Resolution	Name of Institution and Location	Type	Gross Assets	Total Liabilities	Total Deposits	Number of Deposit Accounts	Estimated Cost of Resolution	Acquiring Institution and Location
22-Jun	Rocky Mountain Savings, Woodland Park, CO	PA	11,948	17,805	17,532	2,943	6,634	Mountain NB, Woodland Park, CO
22-Jun	First FSA of York, York, NE	PA	55,136	58,228	49,555	9,449	7,604	FNB of York, York, NE
22-Jun	Universal FSB, Houston, TX	IDT	210,208	352,978	244,916	9,152	222,940	Channelview Bank, Channelview, TX
22-Jun	Midwestern SA, Macomb, IL	PA	80,249	98,787	76,275	11,652	25,966	Union NB of Macomb, Macomb, IL
22-Jun	First Garland FS&LA, Garland, TX	PA	122,539	129,853	98,232	10,582	22,969	Kilgore FS&LA, Kilgore, TX
22-Jun	Metropolitan Financial FSB, Dallas, TX	PA	799,358	858,921	714,575	46,887	259,321	United SA of the SW, FSB, Houston, TX
22-Jun	Peninsula FSB, South San Francisco, CA	IDT	51,973	51,744	46,142	2,473	772	San Mateo County NB, San Mateo, CA
22-Jun	Family FSA, Dallas, OR	PA	156,499	159,294	97,659	13,774	9,024	Washington FS&LA, Seattle, WA
22-Jun	Anchor FS&LA, Kansas City, KS	PA	645,760	695,843	469,809	64,498	64,519	Bank IV Kansas Assoc., NA, Olative, KS
22-Jun	First Savings of Americus, Americus, GA	PA	47,866	49,882	44,587	8,598	10,665	Sumter Bank & Trust, Americus, GA
22-Jun	Great Southern FS&LA, Savannah, GA	PA	587,484	683,905	513,630	73,841	183,030	First Atlanta Bank, Atlanta, GA
22-Jun	Denton FS&LA, Denton, TX	PA	160,354	153,268	143,367	13,956	28,487	Kilgore FS&LA, Kilgore, TX
28-Jun	Sun FSA, Fort Dodge, IA	PA	23,773	23,219	18,561	1,897	2,162	Ida County State Bank, Ida Grove, IA
28-Jun	St. Louis County SA, FA, Ferguson, MO	PA	86,755	91,242	80,851	12,112	3,833	South Side NB in St. Louis, St. Louis, MO
29-Jun	Republic Bank for Savings, FA, Jackson, MS	IDT	50,328	92,341	84,725	2,337	65,685	Southbank FSB, Corinth, MS
29-Jun	Colorado SB, FSB, Sterling, CO	IDT	9,260	10,715	10,307	2,585	1,775	Colorado FSB, Sterling, CO
29-Jun	Valley FSA, McAllen, TX	PA	535,938	583,523	528,119	46,784	209,297	International Bank of Commerce, Laredo, TX
29-Jun	Elysian FSB, Hoboken, NJ	PA	122,196	127,377	122,403	8,682	33,487	Pamrapo SB, S&LA, Bayonne, NJ
29-Jun	Marshall SA, FA, Marshall, TX	PA	61,014	61,086	54,742	4,863	21,837	Kilgore FS&LA, Kilgore, TX
29-Jun	First FS&LA of Colo. Springs, Colorado Springs, CO	PA	293,860	371,336	283,730	17,486	138,049	Western NB of Colo. Springs, Colorado Springs, CO
29-Jun	Capital FS&LA, Little Rock, AR	IDT	75,719	86,073	44,302	3,229	23,441	Branch Sale
29-Jun	Gibraltar Savings, FA, Simi Valley, CA	PA	7,082,762	6,982,019	5,270,194	518,093	521,619	Security Pacific NB, NA, Los Angeles, CA
29-Jun	Constitution FSA, Monterey Park, CA	PO	66,743	66,541	64,727	5,222	1,484	None
29-Jun	Rusk FS&LA, Rusk, TX	IDT	34,321	44,952	33,787	3,910	23,654	Citizens Bank, Rusk, TX
29-Jun	Gibraltar Savings, FSB, Seattle, WA	PA	1,388,175	1,363,725	1,229,824	80,982	106,125	Branch Sale
29-Jun	Centrust Bank, Miami, FL	PA	6,793,988	7,549,913	5,158,647	303,583	1,704,818	Great Western Bank, FSB, Beverly Hills, CA
29-Jun	Black Hawk S&LA, FA, Rock Island, IL	PA	56,908	57,425	56,463	7,879	2,211	American Bank of Rock Island, Rock Island, IL
29-Jun	General SA, Henderson, TX	PA	40,258	50,505	40,553	3,663	18,428	Citizens NB of Henderson, Henderson, TX
29-Jun	Delta FS&LA, Drew, MS	IDT	6,635	11,780	11,383	1,974	7,497	Delta Bank & Trust, Drew, MS
06-Jul	United SB, FSB, Windom, MN	IDT	172,571	173,019	132,754	10,655	31,400	Branch Sale
06-Jul	First Savings B&T, FSB, Independence, MO	IDT	28,670	27,288	20,981	2,119	3,313	Bank 10, Belton, MO
20-Jul	Sun S&LA, Parker, CO	PO	229,460	298,654	239,289	7,748	156,760	None
20-Jul	United FS&LA, Vidalia, LA	PA	18,975	18,998	18,829	2,117	0	Concordia B&TC, Vidalia, LA
10-Aug	Baldwin County FSB, Robertsdale, AL	PA	144,441	156,125	137,221	19,799	20,773	First Alabama Bank, Montgomery, AL
10-Aug	Colonial FSA, Prairie Village, KS	PA	107,405	125,117	94,766	11,018	25,381	First Colonial Bank NA, Prairie Village, KS
10-Aug	Banc Iowa SB, Cedar Rapids, IA	PA	119,665	132,877	115,780	21,657	27,969	Branch Sale
10-Aug	Garnett S&LA, Garnett, KS	PA	14,003	14,585	14,503	2,665	1,317	Farmers State Bank, Blue Mound, KS
10-Aug	Citizens of TX S&LA, Baytown, TX	PA	55,621	127,075	108,201	5,017	80,157	West Loop S&LA, Houston, TX
10-Aug	Permian S&LA, Kermit, TX	PO	7,200	9,073	8,882	833	2,371	None
17-Aug	The Duncan S&LA, Duncan, OK	PA	126,362	133,706	120,204	13,426	32,094	Local FS&LA, Oklahoma City, OK
17-Aug	Security FS&LA, Peoria, IL	PA	174,980	200,859	183,577	30,069	46,046	First Financial Bank, Stevens Point, WI
17-Aug	Great Plains SA, FA, Weatherford, OK	PA	79,883	84,168	53,828	6,887	18,988	Local FS&LA, Oklahoma City, OK
17-Aug	Provident SA, FA, Casper, WY	PA	193,800	196,519	165,463	26,303	21,729	Key Bank of WY - Casper, Casper, WY
17-Aug	First FS&LA, Baton Rouge, LA	IDT	33,494	55,370	34,536	4,275	33,943	Life SB, Baton Rouge, LA
17-Aug	Texas Western FSA, Houston, TX	PO	65,624	79,322	60,299	7,705	16,477	None
17-Aug	Miami SB, Miami, FL	PA	107,581	133,782	131,444	11,689	53,745	Republic NB of Miami, Miami, FL
17-Aug	Salamanca FSA, Salamanca, NY	PA	27,870	27,583	27,245	3,568	1,873	Cattaraugus City Bank, Little Valley, NY

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Date of Resolution	Name of Institution and Location	Type	Gross Assets	Total Liabilities	Total Deposits	Number of Deposit Accounts	Estimated Cost of Resolution	Acquiring Institution and Location
17-Aug	First Federal SA, Warner Robins, GA	PA	154,594	150,444	124,289	19,088	25,896	CB&T Bank of Middle GA, Warner Robins, GA
17-Aug	Wesport FSB, Hanford, CA	PO	148,118	149,549	143,357	4,424	19,609	None
17-Aug	Illinois SB, FA, Peoria, IL	PA	38,034	46,913	42,900	5,272	9,403	First FS&LA of Bureau County, Spring Valley, IL
22-Aug	Sweetwater FS&LA, Rock Springs, WY	PA	12,384	11,773	11,653	1,057	761	First Security Bank, Rock Springs, CO
22-Aug	Fidelity SB, FSB, Danville, IL	PA	14,012	13,308	12,996	1,564	1,672	First Midwest Bank, Danville, IL
24-Aug	Chillicothe FS&LA, Chillicothe, IL	PA	35,139	40,635	40,324	4,530	5,948	Southside Trust & SB of Peoria, Peoria, IL
24-Aug	Heritage S&LA, FA, Jerseyville, IL	PA	25,660	26,698	23,494	4,761	1,197	Carrollton B&TC, Carrollton, IL
24-Aug	Jefferson S&LA, Beaumont, TX	IDT	116,394	157,042	122,854	12,261	76,965	Kilgore FS&LA, Kilfore, TX
24-Aug	Investment FS&LA, Chatsworth, CA	PA	214,338	221,883	216,235	11,507	10,438	Fidelity FB, FSB, Glendale, CA
24-Aug	Golden Circle SA, FSB, Corsicana, TX	PO	13,093	14,546	14,297	797	2,739	None
24-Aug	Lakeland SB, FSB, Detroit Lakes, MN	IDT	73,556	77,961	66,535	12,273	11,376	First Security State Bank, Sleepy Eye, MN
24-Aug	Westwood S&LA, Los Angeles, CA	PA	335,228	520,146	356,646	8,122	259,467	Fidelity FB, FSB, Glendale, CA
31-Aug	Western Empire FS&LA, Irvine, CA	IDT	228,277	237,114	223,009	6,352	24,049	Southern California Bank, Downey, CA
31-Aug	Spring Branch S&LA, Houston, TX	PA	100,058	168,418	151,104	14,900	100,402	Coastal Banc SA, Houston, TX
31-Aug	Caguas Central FSB, Caguas, PR	PA	1,606,804	1,573,293	1,033,459	128,334	119,625	Banco Santander PR, Hato Rey, PR
31-Aug	City SA, League City, TX	IDT	15,874	32,805	32,445	1,881	20,252	League City B&T, League City, TX
07-Sep	Independence FB, FSB, Batesville, AR	IDT	168,851	395,012	323,465	25,841	291,369	Worthen B&TC, NA, Little Rock, AR
07-Sep	Fairmont FSA, Fairmont, MN	PA	34,577	37,175	36,312	6,455	3,681	First Farmers & Merchant NB, Fairmont, MN
07-Sep	Enterprise FS, FSA, Clearwater, FL	PA	42,978	43,632	39,947	2,755	814	Comerica Bank - Florida, FSB, Clearwater, FL
07-Sep	Community FS&LA, Tampa, FL	PO	8,532	16,738	12,615	2,692	11,622	None
07-Sep	First City FS&LA, Baton Rouge, LA	PA	14,343	19,782	18,614	1,794	8,654	Equitable Trust S&LA, Baton Rouge, LA
07-Sep	Midland Buckeye Savings, FS&LA, Alliance, OH	PA	159,588	181,721	151,382	27,292	38,619	Citizens Banking Co., Salineville, OH
07-Sep	FirstCentral FSB, Chariton, IA	PA	88,878	89,854	88,315	13,128	7,518	Branch Sale
07-Sep	Gem City FS&LA, Quincy, IL	PA	195,784	209,192	191,734	27,663	19,918	Branch Sale
07-Sep	The Benjamin Franklin FS&LA, Portland, OR	PA	3,939,766	3,964,251	2,734,431	408,243	104,939	Bank of America, FSB, Portland, OR
07-Sep	Missouri SA, FA, Clayton, MO	PA	488,286	529,179	456,219	105,534	94,640	Mercantile Bank of St. Louis NA, St. Louis, MO
07-Sep	Home Owners SB, FSB, Burlington, MA	PA	2,934,690	3,310,601	2,465,061	170,545	805,795	Branch Sale
12-Sep	American Home S&LA, FA, Edmond, OK	PA	54,892	59,232	44,529	3,875	19,390	Founders B&TC, Oklahoma City, OK
14-Sep	Suburban SA, San Antonio, TX	PA	34,242	49,237	28,570	2,215	21,688	Plaza Bank, NA, San Antonio, TX
14-Sep	Capitol City FSA, Austin, TX	PA	419,729	467,314	227,274	19,416	151,206	Bank One, TX, NA, Dallas, TX
14-Sep	Crest FS&LA, Kankakee, IL	IDT	120,633	118,437	105,559	15,207	12,975	Branch Sale
14-Sep	First Network FSB, Los Angeles, CA	PO	412,896	403,796	372,933	12,382	138,702	None
14-Sep	Community FSA, Bridgeport, CT	IDT	34,747	37,053	36,486	1,741	4,653	Union Trust Co., Stanford, CT
14-Sep	Equity FSB, Denver, CO	PO	1,732	3,311	2,967	104	1,584	None
14-Sep	MeritBanc SA, Houston, TX	PA	229,121	392,962	306,960	20,295	210,665	Kilgore FS&LA, Kilgore, TX
14-Sep	City FS&LA, Birmingham, AL	PA	452,129	505,271	493,259	119,899	86,408	First Alabama Bank, Montgomery, AL
14-Sep	French Market Homestead, FSA, Metairie, LA	IDT	192,058	227,639	219,777	30,249	81,830	First NB of Commerce, New Orleans, LA
14-Sep	Williamsburg FS&LA, Salt Lake City, UT	PA	282,576	285,942	223,944	45,748	36,537	Branch Sale
14-Sep	Sooner FSA, Tulsa, OK	PA	1,183,977	1,235,813	1,046,663	152,481	148,698	First Gibraltar Bank, FSB, San Antonio, TX
21-Sep	First FS&LA of Seminole, Seminole, OK	IDT	25,555	29,943	29,513	3,298	8,631	First NB&TC of Holdenville, Holdenville, OK
21-Sep	First SA, FA, Bismark, ND	IDT	89,040	96,166	85,068	14,810	10,919	Metropolitan FB, FSB, Fargo, ND
21-Sep	Caprock FS&LA, Lubbock, TX	PO	475,969	583,604	437,811	12,857	298,994	None
21-Sep	Midwest FSB, Minot, ND	PA	552,881	641,275	497,681	73,919	156,586	Branch Sale
21-Sep	Mercury FS&LA, Huntington Beach, CA	PA	1,803,848	1,820,984	1,439,377	152,296	33,716	Security Pacific NB, NA, Los Angeles, CA
21-Sep	North Carolina S&LA, FA, Charlotte, NC	PA	506,619	513,188	362,434	57,933	48,275	First Citizens B&TC, Raleigh, NC
21-Sep	Heritage FS&LA, Monroe, NC	PA	203,688	251,725	171,499	21,400	59,255	First Citizens B&TC, Raleigh, NC

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21-Sep	Great American S&LA, Oak Park, IL	PA	809,112	791,893	599,477	70,718	71,845	Branch Sale
28-Sep	Savings of TX Assoc., Jacksonville, TX	PO	71,655	96,889	87,690	4,842	56,568	None
28-Sep	Central SB, Jackson, MS	IDT	47,397	69,476	67,423	2,535	42,387	Bank of Forest, Forest, MS
28-Sep	First FS&LA, New Iberia, LA	IDT	50,037	58,756	57,465	6,394	13,603	Iberia SB, SSB, New Iberia, LA
28-Sep	United FS&LA, New Orleans, LA	IDT	49,910	51,199	41,640	8,470	26,699	United B&TC, New Orleans, LA
28-Sep	Delta S&LA, FA, Kenner, LA	IDT	127,597	154,778	105,593	4,334	73,121	First State B&TC, Bogalusa, LA
28-Sep	Seasons FSB, Richmond, VA	PA	172,832	200,388	135,189	9,909	47,915	Crestar Bank, Richmond, VA
28-Sep	Banner Banc FS&LA, Garland, TX	IDT	41,005	54,432	53,049	5,608	19,718	Colonial S&LA, Fort Worth, TX
28-Sep	Metropolitan FS&LA, Denville, NJ	PA	149,442	156,324	155,225	35,265	12,793	Collective FSB, Egg Harbor, NJ
28-Sep	Security FSA, Richmond, VA	PA	286,315	314,735	186,323	27,820	41,124	Crestar Bank, Richmond, VA
28-Sep	Yorkridge-Calvert FSA, Baltimore, MD	IDT	489,756	512,766	307,063	48,420	43,946	Household Bank FSB, Newport Beach, CA
28-Sep	Merabank FSB, Phoenix, AZ	PA	4,249,685	4,622,119	3,939,864	438,104	1,023,425	Bank of America, AZ, Phoenix, AZ
28-Sep	American S&LA of Brazoria Co., Lake Jackson, TX	PO	216,957	349,269	263,188	14,265	216,168	None
28-Sep	Arlington Heights SA, FA, Arlington Heights, IL	PA	426,595	453,362	350,335	62,070	21,536	Citibank FSB, Chicago, IL
28-Sep	Empire FSB, Buffalo, NY	PA	7,221,475	7,965,627	6,583,954	815,171	1,717,897	Branch Sale
05-Oct	Midwest SA, Minneapolis, MN	IDT	2,131,183	2,620,048	1,679,787	264,295	826,253	Branch Sale
05-Oct	First FS&LA of Central IN, Anderson, IN	PA	144,618	159,036	156,275	24,500	16,766	Shelby FSB, Indianapolis, IN
12-Oct	Golden Triangle S&LA, Bridge City, TX	PO	29,604	67,125	56,268	2,671	50,465	None
19-Oct	Fortune Financial FS&LA, Copperas Cove, TX	PO	61,957	71,680	66,067	4,252	27,447	None
19-Oct	Uvalde FS&LA, Uvalde, TX	PO	12,799	14,947	11,295	1,563	4,558	None
26-Oct	First State SB, FSB, Mountain Home, AR	IDT	81,036	99,905	99,787	14,171	52,727	Worther B&TC, NA, Little Rock, AR
26-Oct	Summit First FS&LA, Summit, IL	PA	51,925	51,813	46,449	6,047	638	Marquette NB, Chicago, IL
26-Oct	Southeastern SA, Dayton, TX	PO	71,974	110,803	84,779	5,442	61,978	None
26-Oct	Southmost S&LA, Brownsville, TX	PO	86,221	124,907	94,310	9,848	55,817	None
02-Nov	Deep East TX SA, Jasper, TX	PA	39,812	52,255	51,432	3,341	18,427	Community Bank, Kirbyville, TX
02-Nov	Community FSB, East Moline, IL	PA	74,284	82,152	80,916	18,079	8,861	Branch Sale
02-Nov	First FS&LA of Fayetteville, Fayetteville, AR	PA	83,725	109,624	86,545	13,316	32,971	Branch Sale
02-Nov	First Standard SA, Fairmont, WV	PA	60,333	62,857	62,409	8,788	8,319	Community B&T, NA, Fairmont, WV
02-Nov	Central TX S&LA, Waco, TX	PA	145,919	202,158	147,114	10,753	104,047	Kilgore FS&LA, Kilgore, TX
08-Nov	Western Gulf S&LA, Bay City, TX	IDT	164,240	294,947	233,821	7,662	211,980	Victoria B&TC, Victoria, TX
09-Nov	Home FSB of Worcester, Worcester, MA	IDT	208,270	228,128	223,674	37,345	94,118	Worcester Co. Inst. for Savings, Worcester, MA
09-Nov	Home Savings FS&LA, Joliet, IL	PA	109,719	128,554	96,781	11,205	18,025	First Midwest Bank/IL, NA, Plainfield, IL
09-Nov	Colonial S&LA, Cape Girardeau, MO	PA	104,323	118,891	109,777	18,117	21,497	Branch Sale
09-Nov	Grand Prairie FS&LA, Stuttgart, AR	PO	23,393	24,834	13,261	1,258	5,763	None
09-Nov	Bank USA, SA, Silvis, IL	IDT	21,172	19,483	19,334	2,390	0	Metrobank, East Moline, IL
09-Nov	First FSA of Bluefield, Bluefield, WV	PA	28,214	27,367	23,874	4,634	5,127	First FSB, Bluefield, WV
09-Nov	Valley Savings FS&LA, Hutchinson, KS	PA	132,790	180,812	126,380	11,567	89,208	Branch Sale
16-Nov	Pioneer FS&LA, Marietta, OH	PO	9,254	7,490	6,421	1,146	340	None
16-Nov	Southwest FSA, Los Angeles, CA	PA	521,074	619,432	610,275	60,227	118,470	Bank of America, San Francisco, CA
16-Nov	Nassau S&LA, Brooklyn, NY	PA	228,827	267,301	262,915	35,620	47,004	Staten Island SB, Staten Island, NY
16-Nov	Fidelity FSA, Galesburg, IL	PA	263,985	311,166	294,682	57,202	57,897	First Bank, a SB, Clayton, MO
16-Nov	Whitestone FS&LA, Whitestone, NY	PA	264,357	297,829	291,455	42,998	9,306	Astoria FS&LA, Jackson Heights, NY
16-Nov	Equitable FSB, Fremont, NE	PA	152,819	174,696	148,200	29,132	30,910	Firstier Bank, NA, Omaha, NE
16-Nov	The Hiawatha FSA, Hiawatha, KS	PA	50,081	57,498	49,762	3,365	26,093	Morrill & James B&TC, Hiawatha, KS
16-Nov	New Athens FS&LA, New Athens, IL	PA	24,347	25,526	21,318	5,199	2,947	United IL Bank of New Athens, New Athens, IL
16-Nov	Resource SA, Denison, TX	PO	400,781	505,505	363,680	11,315	278,447	None
16-Nov	Brookside FS&LA, Los Angeles, CA	PO	472,745	483,764	444,188	15,514	62,882	None
16-Nov	Security FSB, Carlsbad, NM	IDT	25,044	32,946	29,629	2,857	9,705	Western Commerce Bank, Carlsbad, NM
29-Nov	Frontier FSB, Belleville, IL	PA	33,217	36,070	35,775	4,332	5,058	Union Bank of E. St. Louis, East St. Louis, IL
30-Nov	First American FSB, Santa Fe, NM	PO	126,848	132,813	109,541	3,264	38,179	None

RTC Resolutions January 1, 1990 through December 31, 1990

(Dollars in thousands)

Date of Resolution	Name of Institution and Location	Type	Gross Assets	Total Liabilities	Total Deposits	Number of Deposit Accounts	Estimated Cost of Resolution	Acquiring Institution and Location
30-Nov	First Louisiana FSB, FA, Lafayette, LA	IDT	60,527	86,104	84,140	9,970	48,622	St. Landry B&T Co., Opelousas, LA
30-Nov	Sun State S&LA, Phoenix, AZ	IDT	794,370	966,274	835,351	33,567	397,255	Bank of America, AZ, San Francisco, CA
30-Nov	Madison Guaranty S&LA, McCrory, AR	PA	91,308	122,457	105,215	3,880	47,655	Branch Sale
30-Nov	Parish FS&LA, Denham Springs, LA	PO	10,967	12,055	10,404	2,047	3,478	None
30-Nov	Henderson Home S&LA, FA, Henderson, KY	PA	36,709	38,232	33,900	3,566	3,149	Farmers B&TC, Henderson, KY
30-Nov	Heritage FSB of Omaha, Omaha, NE	PA	139,493	146,962	130,079	20,557	24,468	Branch Sale
30-Nov	First SA of SE TX, Silsbee, TX	PA	40,828	46,250	31,129	4,057	17,816	Kilgore FS&LA, Kilgore, TX
30-Nov	Fidelity FSA, Port Arthur, TX	PA	209,784	279,299	212,706	17,323	110,031	Kilgore FS&LA, Kilgore, TX
30-Nov	Midwest Home FSB, Belleville, IL	PA	68,851	83,986	68,809	15,517	21,550	UMB First NB, Collinsville, IL
30-Nov	St. Charles FSA, St. Charles, IL	PA	79,843	92,403	85,768	14,524	12,236	Old Kent Bank, NA, Elmhurst, IL
07-Dec	First FS&LA, Shreveport, LA	PO	150,706	214,629	159,694	16,717	135,436	None
07-Dec	Vision Bank SA, Kingsville, TX	PO	58,195	102,986	90,238	3,682	63,524	None
07-Dec	Commonwealth S&LA, Osceola, AR	PA	26,161	35,594	29,451	6,862	13,227	Southbank FSB, Corinth, MS
07-Dec	Deposit Trust SB, Monroe, LA	IDT	62,932	68,674	60,882	7,166	21,446	First Republic Bank, Rayville, LA
07-Dec	First America SB, FSB, Fort Smith, AR	PA	404,469	412,568	392,423	74,947	53,370	Branch Sale
07-Dec	Charter SB, FSB, Newport, CA	IDT	254,220	269,147	246,989	21,222	34,433	Pacific Heritage Bank, Torrance, CA
07-Dec	Terrebonne S&LA, Houma, LA	IDT	15,881	20,178	18,151	4,334	5,794	The St. Mary B&TC, Franklin, LA
07-Dec	Haven S&LA, Winter Haven, FL	PA	130,845	153,202	125,285	15,787	32,616	Barnett Bank of Polk County, Lakeland, FL
07-Dec	Karnes County FS&LA, Karnes City, TX	IDT	45,274	54,884	50,041	6,206	18,937	Victoria B&TC, Victoria, TX
07-Dec	Security FSA, Texarkana, TX	PO	251,613	597,223	464,990	20,676	468,228	None
13-Dec	United SB, FSB, Paterson, NJ	PO	213,668	212,728	183,482	32,364	24,523	None
14-Dec	Excel Banc SA, Laredo, TX	PO	118,621	139,730	123,242	6,623	63,788	None
14-Dec	Peoples FSA, Bartlesville, OK	IDT	81,214	80,781	78,782	7,908	8,341	WestStar Bank NA, Bartlesville, OK
14-Dec	Mississippi SB, FSB, Batesville, MS	PO	157,908	149,788	128,911	2,893	38,893	None
14-Dec	Frontier SA, Las Vegas, NV	* PA	259,007	251,233	246,623	18,700	0	Bank of America, NV, Reno, NV
14-Dec	Community FS&LA, St. Louis, MO	* PA	2,041,732	2,449,359	2,241,585	404,218	372,071	Boatman's NB, St. Louis, MO
14-Dec	Great American S&LA, Corinth, MS	PO	98,273	101,986	101,231	3,558	16,205	None
14-Dec	First FSB of Kansas, Wellington, KS	IDT	111,178	160,244	125,859	20,851	74,859	Branch Sale
14-Dec	Hometown SB, FSB, Delphi, IN	PA	51,401	55,968	53,717	7,688	8,385	Branch Sale
15-Dec	Mid-America FS&LA, Columbus, OH	* PA	1,220,839	1,199,338	884,469	99,508	39,148	NBD Bank, Columbus, OH
27-Dec	Enterprise SB, Chicago, IL	* PA	447,270	490,968	321,137	34,811	55,000	United FB, Galesburg, IL
TOTALS	**315 Institutions**		**$106,200,988**	**$120,877,567**	**$93,362,221**	**10,213,526**	**$31,455,293**	

* Institution was resolved under the Accelerated Resolutions Program (ARP)

Notes:
1) Data based on TFR data for the quarter prior to the date of resolution
2) IDT - Insured Deposit Transfer; PO - Deposit Payoff; P&A - Purchase & Assumption

Prepared by RTC Analysis

RTC Resolved Conservatorships August 1989 through December 31, 1990

(Dollars in thousands)

	Number of Institutions	Assets	Liabilities	Deposits	Number of Accounts
In Conservatorship as of 8/9/89	262	$114,322,627	$120,788,239	$91,721,957	8,787,092
Added in 1989	56	25,872,928	25,774,115	19,774,644	2,230,425
Resolved	37	13,730,737	14,459,356	11,308,281	1,159,387
In Conservatorship as of 12/31/89	281	126,464,818	132,102,998	100,188,320	9,858,130
Added in 1990	207	129,778,490	128,889,934	94,826,424	9,218,763
Resolved in 1990	309	134,521,901	138,580,070	105,329,383	11,155,237
In Conservatorship as of 12/31/90	179	$121,721,407	$122,412,862	$89,685,361	7,908,387
Institutions never placed in Conservatorship prior to Resolution in 1990	6	$4,000,207	$4,421,669	$3,724,296	560,411

Prepared by RTC Analysis

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Director
Stephen J. Katsanos

Deputy Director
Elizabeth R. Ford

Chief
Reports and Analysis Branch
Marjorie C. Bradshaw

Design and Printing Coordinator
Geoffrey L. Wade

Art Director
Geri Bonebrake

Designer
Sam Collicchio

Typography
Deidre L. Howard

Recycled
Paper