FDIC
Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

September 17, 2007

TO: The Board of Directors

FROM: Steven O. App Steven O. App
Deputy to the Chairman and
Chief Financial Officer

SUBJECT: Proposed FDIC Liquidation Investment Policy

RECOMMENDATION

That the Board of Directors approve the proposed updated *Federal Deposit Insurance Corporation Liquidation Investment Policy* (see Attachment 1).

OVERVIEW AND SUMMARY OF PROPOSED CHANGES

Nearly three years have passed since the Board of Directors approved the current *Investment Policy for Liquidation Funds Managed by the FDIC* (Existing Policy). Consistent with the past practice of having the Board of Directors periodically review and approve investment policies,[1] as well as in keeping with the new Major Matters resolution and recognizing that there has been considerable turnover on the Board of Directors since the Existing Policy was approved, staff is presenting for the Board of Directors' consideration an updated (and re-titled) *Federal Deposit Insurance Corporation Liquidation Investment Policy* (Proposed Policy).

The Existing Policy was approved by the Board of Directors on November 15, 2004. The funds covered by the Proposed Policy include all cash owned by receiverships managed by the FDIC's Division of Resolutions and Receiverships (DRR). The funds also include cash held in corporate purchase (CP) accounts for the Deposit Insurance Fund (DIF) and for the FSLIC Resolution Fund (FRF).[2] Receivership and CP cash is held in a concentration account, termed the National Liquidation Fund (NLF), with each individual receivership's and CP account's *pro rata* ownership share accounted for separately.

---

1 For instance, the Corporate Investment Policy was reviewed and approved on December 5, 2006; it had previously been reviewed and approved by the Board of Directors in November 2003.

2 CP accounts hold cash and other assets in liquidation that resulted from corporate purchases of receivership assets to facilitate terminating receiverships. Each CP account is closely monitored and excess cash is transferred to the U.S. Treasury at least monthly pursuant to written procedures agreed to by DRR and the Division of Finance. Cash held by CP accounts at the NLF's designated depository is collateralized in accordance with the U.S. Treasury's regulations for public funds.

The Proposed Policy makes three substantive changes to the Existing Policy. They are:

1. The Proposed Policy changes the Existing Policy's provisions concerning the option for investing in institutional money market funds (IMMFs), which may contain commercial paper holdings, by limiting future investments to government institutional money market funds (Government Funds) that invest only in debt securities issued or guaranteed by the U.S. government or by U.S. government agencies or instrumentalities, and in repurchase agreements fully collateralized by such debt securities.

2. Due to smaller and currently declining receivership fund balances, the Proposed Policy removes the Existing Policy's restriction that no more than 50 percent of the NLF investment portfolio may be invested in any one IMMF to permit larger investments in a more restricted investment pool of lower fee, higher yielding Government Funds.

3. The Proposed Policy removes the Existing Policy's repurchase counterparty holdings limits, which were the lesser of $500 million or 20 percent of the NLF's market value, again because such restrictions are not practical given the small balance of remaining receivership funds.[3]

As explained in greater detail below, these recommended changes will enable the NLF to invest in safe, highly rated Government Funds offering lower fees for higher investment account balances or to invest in competitively yielding repurchase agreements.

BACKGROUND

Authority to invest liquidation funds stems from the broad receivership powers provided under Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821). Under the oversight of the Chief Financial Officer (CFO) and the Investment Advisory Group (IAG), the Division of Finance (DOF) has been given delegated authority to invest the NLF. The Investment Objectives for managing the NLF as stipulated in the Proposed Policy are essentially unchanged. However, the Proposed Policy now states that the objectives are listed in order of priority as follows:

- Preserve principal.
- Provide sufficient liquidity to meet anticipated cash flow requirements.
- Maximize returns.
- Manage the investment program at the lowest reasonable cost, without compromising standards of quality, security, or control.

As with the Existing Policy, under the Proposed Policy, the NLF may be invested in overnight and term interest-bearing deposits at a designated depository institution, in U.S. Treasury securities, in federally-sponsored agency securities, in certain institutional money market funds,

[3] For instance, on October 31, 2004, the NLF balance was $568 million. As of August 31, 2007, the NLF had a total balance of $178 million.

and in repurchase agreements. Among other provisions and restrictions, the term of any NLF investment is limited to one year or less.

When not otherwise deployed, the NLF's funds are deposited at the Federal Home Loan Bank of Chicago (FHLB-Chicago), the NLF's current designated depository. FHLB-Chicago also acts as custodian for the NLF's other investment securities, principally federally-sponsored agency discount notes.[4] FHLB-Chicago has been the NLF's designated depository for over 15 years and performed the same function for Resolution Trust Corporation (RTC) receiverships prior to that time. As the NLF's designated depository, FHLB-Chicago provides banking services that facilitate collection of receivership funds, payment of receivership expenses, and payment of receivership dividends. Additionally, for failed institution resolutions involving deposit payoffs, FDIC, as insurer, uses checks drawn against a separate account at FHLB-Chicago to pay all the failed institution's depositors the full amount of their insured deposits.

Attachment 3 lists all receiverships and CP accounts in descending order of their cash balance held in the NLF. As is evident from the table, fund ownership is concentrated among several receiverships. Over the past few years, the funds managed under the Existing Policy have shrunk considerably as receiverships' affairs wound down, bank and thrift failures abated, and receiverships' reserves for litigation were reduced, enabling a large percentage of the funds to be paid out as dividends to creditors, principally the FDIC in its corporate capacity.

The Existing Policy describes the scope and the legal authority under which the FDIC invests liquidation funds, and includes sections delineating the investment objectives and investment guidelines when the FDIC invests liquidation funds. In addition, the Existing Policy contains sections stipulating various roles and responsibilities, including the role of the IAG, and concludes with reporting requirements to the Board of Directors. The Proposed Policy retains all these general provisions, although in some instances the Policy's sections have been renamed and the associated language has been reworded.

DISCUSSION OF PROPOSED CHANGES

In addition to minor word changes that are not of substance, as delineated above there are three substantive changes between the Existing Policy and the Proposed Policy.

First, the Existing Policy's description of permissible institutional money market funds is being revised. The Existing Policy permitted investing in IMMFs that "invest primarily in U.S. Treasury securities, federally-sponsored agency securities, and in commercial paper that is highly rated by either Moody's Investors Service Inc. (Moody's) or Standards & Poors". The Proposed Policy now states that permissible IMMFs are those that invest only in:

---

[4] FHLB-Chicago, through its agent bank Citibank NA, provides securities custodial services for the NLF by way of a safekeeping account. These custodial services primarily include settling the purchases of federally-sponsored agency discount notes (or other Fed book-entry government securities), and collecting principal and interest payments on such securities purchased for the NLF.

- debt securities issued or guaranteed by the U.S. government or by U.S. government agencies or instrumentalities, and
- repurchase agreements fully collateralized by such debt securities.

On a more minor note, the Proposed Policy also now stipulates that permissible Government Funds must hold the highest rating from *both* Moody's Investors Service (Moody's) and Standard and Poor's (S&P) (the Existing Policy stipulated either Moody's or S&P). In addition, consistent with the Existing Policy, the Proposed Policy grants authority to the CFO, with advice from the IAG, to establish selection criteria for designating specific Government Funds as permissible investments. (See Attachment 2 for a comparison of the key elements of the Existing and Proposed Policies.)

Second, the Proposed Policy removes the Existing Policy's restriction that no more than 50 percent of the NLF investment portfolio may be invested in any one IMMF. This change is being recommended because Government Funds are safe. Moreover, given that the NLF's balance has dropped dramatically over the past few years and, absent any significant new bank or thrift resolution activity, is projected to continue to decline, removing this restriction will provide the flexibility to take advantage of the lower fees that Government Funds typically offer for larger dollar investments or account balances, thus resulting in higher returns for the NLF.

Third, the Existing Policy does permit investing in repurchase agreements, although DOF staff has not managed such a program since the RTC sunset at the end of 1995 and has no intention of doing so for the foreseeable future. Still, given the opportunity to update the Existing Policy, the Proposed Policy removes the Existing Policy's repurchase counterparty holdings limits, which were the lesser of $500 million or 20 percent of the NLF's market value. Given the present size of the NLF, these size restrictions would impede the ability to actually invest in competitive yielding repurchase agreements and would impose administrative burdens. As with other permissible investments, the Proposed Policy stipulates that the IAG will review and provide advice to the CFO on the specific criteria to use in the unlikely event that initiating a repurchase agreement investment program made sense. Such criteria would likely include counterparty standards and would be reviewed and approved by the CFO, with the advice of the IAG, on a quarterly basis.

These recommended changes will allow for better diversification of the NLF's investment portfolio by enabling it to invest in safe, highly rated Government Funds offering lower fees for higher investment account balances. Also, the changes to the parameters for investing in repurchase agreements make such investments more feasible, although again, at this time, staff has no intention to initiate such an investment program.

STAFF CONTACTS

Louis E. Wright, Manager, Treasury Management Section, DOF (703) 562-6180
Arthur D. Murphy, Senior Financial Analyst, Funding & Investments Unit (703) 562-6177

Attachments

ATTACHMENT 1

FEDERAL DEPOSIT INSURANCE CORPORATION LIQUIDATION INVESTMENT POLICY

I. Scope

The Liquidation Investment Policy (Policy) shall apply to all funds held by the FDIC in its receivership capacity and to all funds held by the FDIC in its corporate liquidator capacity (collectively referred to as the National Liquidation Fund (NLF)).

II. Legal Basis

Section 11(d)(2)(B) of the Federal Deposit Insurance Act (Act) provides that the FDIC, as receiver, may:

(i) take over the assets of and operate the insured depository institution with all the powers of the members or shareholders, directors, and the officers of the institution and conduct all business of the institution;

(ii) collect all obligations and money due the institution;

(iii) perform all functions of the institution in the name of the institution which are consistent with the appointment as conservator or receiver; and

(iv) preserve and conserve the assets and property of such institution.

Section 11(d)(2)(J) of the Act permits the "Corporation ... as conservator or receiver" to "exercise all powers and authorities specifically granted to conservators or receivers, respectively, under this Act and such incidental powers as shall be necessary to carry out such powers" and to take any authorized action "which the Corporation determines is in the best interests of the depository institution, its depositors, or the Corporation."

Section 13(d)(3)(A) of the Act permits the FDIC, acting in its corporate liquidator capacity, to purchase assets of failed depository institutions. With respect to such corporate purchased assets, "the Corporation shall have all the rights, powers, privileges, and authorities of the Corporation as receiver."

III. Investment Objectives

Specific investment objectives include, in order of priority:

- Preserve principal.
- Provide sufficient liquidity to meet anticipated cash flow requirements.
- Maximize returns.
- Manage the investment program at the lowest reasonable cost, without compromising standards of quality, security, or control.

IV. Investment Guidelines

Permissible Investments:

- U.S. Treasury Securities - May be up to 100 percent of NLF investments.
- Federally-Sponsored Agency Securities - May be up to 100 percent of NLF investments. Holdings are limited to federally-sponsored agency notes, bonds, and discount notes. Structured notes are not permitted. The eligible issuers are Fannie Mae, the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Farm Credit System, and the Federal Home Loan Banks.
- Interest-Bearing Deposits at a Designated Depository – May be up to 100 percent of NLF investments. To the extent practicable, all NLF funds shall be concentrated in and flow through transaction accounts at one or more designated depositories. A designated depository may be a Federal Reserve Bank, a Federal Home Loan Bank, or an insured depository institution.
- Repurchase Agreements - May be up to 100 percent of NLF investments. Subject to the Credit Criteria listed below, the IAG will advise the CFO and the CFO will approve all counterparties. The Investment Advisory Group (IAG) will advise the CFO and the CFO may impose further limitations regarding transaction size with individual counterparties based on adequacy of capitalization and prevailing market conditions.
- Government Institutional Money Market Funds – May be up to 100 percent of NLF investments. Holdings are limited to funds that invest only in debt securities issued or guaranteed by the U.S. government or by U.S. government agencies or instrumentalities, and in repurchase agreements fully collateralized by such debt securities. The IAG will advise the CFO and the CFO will establish any selection criteria in addition to the Credit Criteria listed below.

Maturity Limitations:

- The maturity of U.S. Treasury securities, federally-sponsored agency securities, term deposits at a designated depository, and repurchase agreements shall not exceed one year.

- The dollar-weighted average maturity of NLF investments shall not exceed 182 days at the time of purchase of any U.S. Treasury security, federally-sponsored agency security, term deposit at a designated depository, or term repurchase agreement.

Credit Criteria:

- Credit criteria for U.S. Treasury securities are not required due to the credit quality inherent in these instruments.

- The creditworthiness of the eligible federally-sponsored agencies and designated depositories will be subject to ongoing monitoring and periodic review to ensure that receivership and corporate purchase funds are not exposed to undue credit risk.

- Government institutional money market funds must be rated AAA by S&P and Aaa by Moody's.

- For repurchase agreements, counterparties shall be limited to a select number of approved banks and broker/dealers based on their creditworthiness and their ability to serve the FDIC's investment requirements. At a minimum, all counterparties shall be primary dealers as designated by the Federal Reserve Bank of New York, shall maintain capital of $100 million or more, and must maintain a short-term debt rating of at least "A-1" and a long-term debt rating of at least "A" by S&P or maintain a short-term debt rating of at least "P-1" and a long-term debt rating of at least "A2" by Moody's.

- In addition to fulfilling the credit criteria and collateral constraints mentioned above, a credit review will be performed at least annually to ensure that each counterparty has sufficient financial strength to fulfill its repurchase agreement commitments.

- The Legal Division will review repurchase agreements and other related documentation initially, when any amendments are proposed, and otherwise annually.

Repurchase Agreement Collateral Requirements:

- Repurchase agreements will be collateralized by U.S. Treasury securities with ten years or less remaining to maturity or by federally-sponsored agency securities (excluding structured notes) with 366 days or less remaining to maturity.

- Actual possession of repurchase agreement collateral must reside with custodians designated by the FDIC or, in the case of tri-party agreements, with custodians designated jointly by the FDIC and its counterparties. A repurchase agreement counterparty will not be allowed to hold such collateral in one of its segregated customer accounts.

- Collateral with a market value of at least 102 percent of the face amount of a repurchase agreement contract shall be deposited with the custodian. Collateral for term contracts shall be re-priced at least daily and the counterparty shall be required to maintain at least a 102 percent margin and must furnish additional collateral or cash when necessary.
- Substitutions of collateral by a counterparty shall be permitted.
- Strips and zero coupon securities may not be accepted as collateral.

Custodial Requirements:

- All securities purchased are to be delivered against payment and held in safekeeping at an FDIC-approved custodian in book entry form.
- Leveraging and re-lending by the custodian are not permissible.

Competitive Purchase Process:

- Investments shall be purchased and sold through an open and competitive process.
- Policies and procedures implementing an open and competitive process for purchasing and selling Permissible Investments shall be approved by the CFO after consultation with the IAG.

V. Responsibilities

In accordance with the Corporation's Bylaws, Delegations of Authority, and the Chief Financial Officers Act of 1990, the authority and responsibility to concentrate cash and to invest and account for NLF investments shall be vested in the CFO. The CFO will have responsibility for monitoring the execution of this Policy.

The Director of the Division of Finance (DOF Director) or his/her designees will be authorized by the CFO to execute day-to-day transactions required to implement this Policy. Within the guidelines set by the CFO, the DOF Director or his/her designees are authorized to invest and reinvest the NLF, make purchases and sales, and perform all related incidental acts.

Actions that constitute exceptions to this Policy may be made only upon the written direction of the CFO and under extraordinary circumstances. A memorandum outlining any actions taken constituting exceptions will be submitted to the Board of Directors explaining both the circumstances and the rationale for taking the action that constituted the exception.

VI. Investment Advisory Group

An Investment Advisory Group consisting of the CFO, the DOF Director, and three members (not directly involved in the corporate and liquidation investment operations) appointed by the Chairperson, shall convene four times per year, preferably at least once each calendar quarter. The CFO shall chair the IAG. The IAG will review the overall investment, securities market, and economic outlooks; review the most recent quarter's investment performance; and review any actions taken which constitute exceptions to this Policy. The IAG will also advise the CFO on investment strategies for the NLF.

With respect to government institutional money market funds, the IAG will review and provide advice to the CFO on which funds should be approved.

With respect to repurchase agreements, the IAG will review and provide advice to the CFO on the approval of the proposed list of counterparties including minimum capital and debt ratings and any exceptions to the capital requirements and debt ratings for primary dealers that do not have debt ratings and/or whose capital resources are maintained at the holding company level, and any other criteria deemed relevant.

The Division of Finance (DOF) shall be responsible for preparing briefing materials for the IAG. These materials will include, at a minimum:

- the status of the NLF;
- a summary of the execution of the CFO's instructions since its prior meeting; and
- a recommended investment strategy for the subsequent period.

In the event market conditions require a reassessment of the investment strategy between regularly scheduled IAG meetings, DOF shall notify the CFO who shall determine in his or her sole discretion whether an interim IAG meeting should be held.

VII. Reporting Requirements

The CFO will report quarterly to the Board of Directors on:

- the status and recent investment experience of the NLF;
- the current and prospective investment strategies, including limitations on any of the security types;
- the principal reasons for any significant changes in either investment experience or strategy; and
- any actions taken that constitute exceptions to this Policy.

ATTACHMENT 2

DIFFERENCES BETWEEN EXISTING AND PROPOSED FDIC LIQUIDATION FUND INVESTMENT POLICY	
EXISTING POLICY	**PROPOSED POLICY**
Scope Existing Policy does not have a section entitled Scope, but does address scope issues under "Authority" heading.	***Scope*** *Several minor changes.* The Proposed Policy clarifies that the policy covers funds held by FDIC in its corporate liquidator capacity, eliminates those categories of funds to which the policy does not apply, and titles the concentration account as the National Liquidation Fund (NLF). It also eliminates reference to the CFO, with the Chairperson's approval, creating other portfolios to which the policy may apply, as staff believes there are no instances where this would be necessary. There are also other minor language changes.
Authority Existing Policy discusses scope and sets forth the legal basis and requirements for the receivership investment program.	***Legal Basis*** *Minor changes.* The Proposed Policy moves scope discussion under new "Scope" heading and the "Authority" section is now titled "Legal Basis" and includes the basis for managing corporate purchased assets.
Investment Objectives Existing Policy includes four general investment objectives (preserve capital and safety of principal; maintain adequate liquidity; ensure all excess cash is invested expeditiously to maximize investment returns; and achieve the investment objectives with the lowest possible administrative cost without compromising standards of quality, security or control).	***Investment Objectives*** *Minor changes.* In addition to some wording changes, the Proposed Policy now delineates that the objectives are listed in order of priority.

DIFFERENCES BETWEEN EXISTING AND PROPOSED FDIC LIQUIDATION FUND INVESTMENT POLICY

EXISTING POLICY	PROPOSED POLICY
Investment Guidelines – Permissible Investments The Existing Policy's permissible investments include U.S. Treasury securities, federally-sponsored agency securities, collateralized repurchase agreements, institutional money market mutual funds, and overnight and term interest-bearing deposits at the designated depository, all of which may constitute 100 percent of the portfolio, subject to certain restrictions. With respect to institutional money market mutual funds as a permissible investment, the Existing Policy stipulates that acceptable institutional money market mutual funds must invest primarily in U.S. Treasury securities, federally-sponsored agency securities, and in commercial paper that is highly rated by either Moody's Investors Service or Standard & Poor's, two major independent rating agencies. The IAG will advise the CFO and the CFO will establish additional relevant selection criteria. At the time of purchase, no more than 50 percent of the market value of the portfolio may be in any one institutional money market fund.	***Investment Guidelines – Permissible Investments*** *Substantive changes.* In addition to many minor language changes, the Proposed Policy: 1) removes the 50 percent of the market value of the portfolio limitation on any one institutional money market fund, and 2) limits the type of institutional money market funds to those that invest only in debt securities issued or guaranteed by the U.S. government or by U.S. government agencies or instrumentalities, and in repurchase agreements fully collateralized by such debt securities. The IAG will continue to advise the CFO and the CFO may establish other relevant selection criteria as deemed necessary and appropriate. This section also removes the restriction that repurchase agreements with any one counterparty are limited to the lesser of $500 million or 20 percent of the NLF portfolio. Given the small size of the NLF, these restrictions are not administratively practical. As with many aspects of investing the NLF, the Proposed Policy stipulates the CFO, with the advice of the IAG, will determine such dollar and counterparty limits.
Investment Guidelines – Maturity Limitations The Existing Policy stipulates that the maturity of purchased securities shall not exceed one year and that the dollar weighted average maturity of any portfolio managed under this policy shall not exceed 182 days.	***Investment Guidelines – Maturity Limitations*** *Minor changes.* Repurchase agreements are added to the list of permissible investments whose maturity can not exceed one year. There are also other minor language changes.
Investment Guidelines – Credit Criteria The Existing Policy provides for monitoring eligible federally-sponsored agencies and the designated depository and stipulates that institutional money market funds must be rated AAA by S&P *or* Aaa by Moody's. It also discusses criteria for monitoring repurchase agreement counterparties and that the Legal Division will review related documentation.	***Investment Guidelines – Credit Criteria*** *Minor changes.* To address a possibility of split ratings, the Proposed Policy stipulates that government institutional money market funds must be rated AAA by S&P *and* Aaa by Moody's. There are also other minor language changes.

DIFFERENCES BETWEEN EXISTING AND PROPOSED FDIC LIQUIDATION FUND INVESTMENT POLICY

EXISTING POLICY	PROPOSED POLICY
Investment Guidelines – Repurchase Agreement Collateral Requirements The Existing Policy stipulates amounts, types, and custody requirements for repurchase agreement collateral.	***Investment Guidelines – Repurchase Agreement Custodial Requirements*** *Minor changes.* All federally-sponsored agency securities (other than structured notes) are added to the list of acceptable collateral. There are also other minor language changes.
Investment Guidelines – Custodial Requirements The Existing Policy provides that all securities purchased are to be delivered against payment (security delivery and payment are simultaneous) and held in safekeeping at an FDIC-approved custodian in book entry form and that leveraging and re-lending by the custodian is not permissible.	***Investment Guidelines – Custodial Requirements*** *Minor language changes.*
Investment Guidelines – Competitive Purchase Process The Existing Policy stipulates that investments shall be purchased and sold through an open and competitive process and further states those policies and procedures implementing an open and competitive process for purchasing and selling permissible investments shall be approved by the CFO after consultation with the IAG.	***Investment Guidelines – Competitive Purchase Process*** *No changes.*
Responsibility The Existing Policy notes that the CFO has the authority and responsibility for liquidation fund investments and monitoring the execution of the policy, that the DOF Director or his/her designees will have authority to execute day-to-day transactions to implement the policy, and that exceptions may only be made by written direction of the CFO under extraordinary circumstances, providing further that such exceptions and the circumstances for them will be reported to the Board of Directors.	***Responsibility*** *Minor language changes.*

DIFFERENCES BETWEEN EXISTING AND PROPOSED FDIC LIQUIDATION FUND INVESTMENT POLICY

EXISTING POLICY	PROPOSED POLICY
Investment Advisory Group The Existing Policy notes that an IAG consisting of the CFO, the DOF Director, and three members appointed by the Chairman, shall, among other things, convene four times a year to review the previous quarter's investment experience and to advise the CFO on the subsequent quarter's investment strategy. The Division of Finance will be responsible for preparing the briefing materials for these meetings. It also stipulates the IAG will review and provide advice to the CFO on which institutional money market funds and repurchase agreement counterparties shall be approved.	***Investment Advisory Group*** *Minor language changes.* Eliminates the examples of selection criteria for institutional money market funds.
Reporting Requirements The Existing Policy stipulates, among other things, that the CFO will report quarterly to the Board of Directors on the status and recent investment experience of the NLF portfolio, including current and prospective investment strategies, as well as any actions that that constitute exceptions to the Existing Policy.	***Reporting Requirements*** *Minor language changes.*

ATTACHMENT 3

Cash Balances for Receiverships and CP Accounts

August 31, 2007

FUND	NAME	BALANCE		
DIF	SUPERIOR BANK FSB	$57,138,565.93		
RTC	THE BEN FRANKLIN FS & LA	13,141,662.35		
DIF	NEXTBANK NA	12,551,515.25		
DIF	METROPOLITAN SAVINGS BANK	11,747,876.87		
DIF	GUARANTY NB OF TALLAHASSEE	11,727,711.04		
DIF	BESTBANK	9,753,869.27	**$116,061,201**	**65.6%**
RTC	RTC - RESOLUTION TRUST CORP CP	7,877,954.19		
DIF	HAMILTON BANK, NA	7,266,075.20		
DIF	CONNECTICUT BANK OF COMMERCE	6,670,831.61		
DIF	FIRST NATIONAL BANK OF KEYSTON	4,947,199.71		
DIF	SOUTHERN PACIFIC BANK	4,932,289.27		
DIF	DIF - DEPOSIT INS FUND CP	4,874,902.23		
DIF	OAKWOOD DEPOSIT BANK COMPANY	4,658,962.69		
DIF	GOLDOME	2,270,744.35		
RTC	GREAT AMERICAN FSA	2,003,267.16		
RTC	WESTERN SAVINGS & LOAN	1,910,723.17		
RTC	CENTRUST BANK,SB	1,585,121.53		
RTC	COLONIAL FEDERAL SAVINGS ASSOC	1,434,847.96		
DIF	THE HOWARD SAVINGS BANK	1,369,952.44		
DIF	BANK OF NEW ENGLAND	1,254,639.92		
FRF	FRF - FSLIC RESOLUTION FUND CP	1,005,192.08		
DIF	RELIANCE BANK	814,923.05		
DIF	1ST NATIONAL BANK OF VERMONT	614,804.06		
DIF	MERITOR SAVINGS BANK	590,575.91		
DIF	BANK OF EPHRAIM	577,814.21		
DIF	UNIVERSAL FEDERAL SAVINGS BANK	541,638.46		
DIF	MIDLAND BANK OF KANSAS	523,191.46		
RTC	COLUMBIA SAVINGS & LOAN ASSN.	516,935.49		
RTC	CITY SAVINGS, F.S.B.	502,903.79		
RTC	HOMEFED BANK, F.A.	397,149.69		
RTC	SECURITY FEDERAL	285,866.48		
DIF	THE FIRST NATIONAL BANK OF BLA	239,975.38		
RTC	TRANSOHIO, FSB	187,180.34		
DIF	THE UNION SAVINGS BANK	153,036.12		
RTC	HORIZON FINANCIAL, FA	142,450.87		
RTC	CARTERET FSB	127,619.63		
RTC	OAKTREE FED SAVINGS	115,582.47		
DIF	CAPITOL BANK & TRUST COMPANY	115,240.94		
DIF	IST NAT OF PANHANDLE	102,865.99		
RTC	EL PASO FEDERAL SAVINGS & LOAN	84,893.42		
DIF	CITYTRUST	44,042.82		
RTC	MADISON GUARANTY S & LA	32,852.79		
	TOTAL	**$176,835,447.59**		
	PLUS: AUG 2007 ACCRUED EARNINGS NOT YET CREDITED	$766,298.92		
	GRAND TOTAL	**$177,601,746.51**		