

DIVISION OF RESOLUTIONS AND RECEIVERSHIPS ASSET MARKETING



INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS

SAINT PETERSBURG, RUSSIA

JUNE 27, 2019

Asset Marketing Goals

Maximize recovery and minimize loss by liquidating receivership assets in a timely, cost-effective way.

Create a **competitive and fair bidding environment** for receivership assets.

Work with Asset Management as they **maintain the quality** of receivership assets.

Assets for Sale

Loans:

- Commercial Real Estate (CRE)
- Commercial & Industrial (C&I)
- Single Family Residential (SFR)
- Consumer
- Performing / Non-performing

Owned Real Estate (ORE):

- Bank owned properties
- Bank premises
- FDIC foreclosed real estate
- Discovered assets

Other Owned Assets:

- Furniture, fixtures & equipment
- Vehicles

Cash Loan Sales

Structured Transactions

Securitizations

Auctions

Traditional Real Estate Sales



Loan Sales by Method 2008 - 2018

Cash Loan Sales

237,882 loans sold with a book value of \$15 billion and a sales price of \$7.3 billion
Sales Price / Book Value: 49%
Sales Price / Appraised Value: 107%

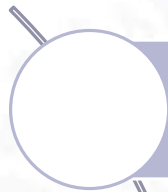
Structured Transactions

43,315 loans in 35 structured transactions with a book value of \$26.2 billion
Price paid for equity sold: \$2.2 billion

Securitizations & Structured Sales of Guaranteed Notes (SSGN)

10,432 loans in 8 whole loan securitizations & 550+ securities in 8 SSGN with a book value of \$7.25 billion
Recoveries (realized \$7.2 billion / projected \$1 billion) to book value: 114%
Performing loan recoveries (realized & projected) to appraised value: 177%

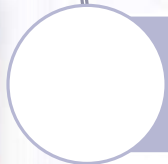
Cash Loan Sales Overview



Loans are competitively marketed



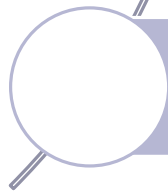
All cash transaction



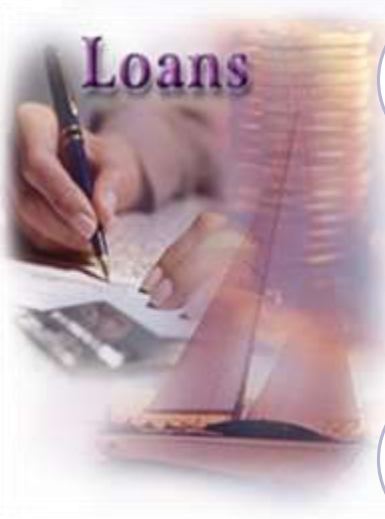
Loans sold with servicing released



FDIC retains no interest in the loans



Market loans immediately after institution fails



Structured Transaction Overview

What is a Structured Transaction?

- Sales vehicle that enables FDIC to retain an interest in the assets
- Transfers management responsibility to private sector
- Share in costs, risks, and upside

Why a Structured Transaction?

- Maximize recoveries and minimize losses
- Long term intrinsic value exceeds current value
- Historical success

Securitization Program Overview

Capital markets began to freeze with the collapse of several large financial institutions

Significant reduction in liquidity for both the whole loan and mortgage-backed securities (MBS) markets resulted in a sharp decline in prices

Erosion of confidence in bond rating agencies created difficulty in assessing the credit quality of MBS

Securitization – SSGN proved the best method to unlock the intrinsic value of these assets in a dislocated market and to reinstate public confidence

Securitization-SSGN has recovered more than 130% of the fair values of the underlying assets

* Structured Sale of Guaranteed Notes is the program brand under which FDIC, as Receiver, sponsored its re-securitization transactions.

Owned Real Estate Overview



Assess and Take Possession

- Inspect for Health, Safety, and Environmental Issues
- Address Dangers and Maintain Property
- Obtain Estimate of Value
- Confirm Ownership/Title



Market Property for Rapid Disposition

- Choose Marketing Method
- Broadly Market
- Retail Marketing
- Auction (online and outcry)
- Sealed Bid



Sell and Return Cash to the Deposit Insurance Fund

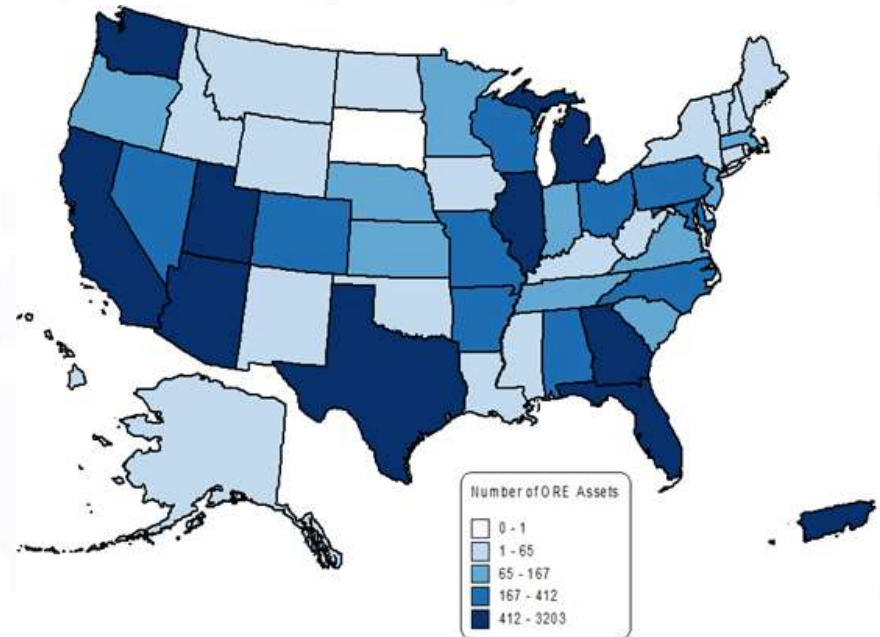
- Standardized Sales Contracts
- Cash Transactions – No Financing

Owned Real Estate Overview

Owned Real Estate Sales 2008 - Current

Gross Sales Price: \$5.2 Billion

Property Type	Number
Single Family Homes	7,214
Commercial	3,295
Land Impv. & Lots	2,206
Land Un-Improved	1,533
Multi-Family	137
Other	421
Grand Total	14,806



Other Owned Assets Overview

Types of Assets



- Bank owned furniture and equipment
- Artwork
- Automobiles
- Boats
- Aircraft
- Collectibles

Market Property for Rapid Disposition



- Online Auctions
- Local Auctions
- Direct Sale

Oil, Gas, and Mineral Rights



- Previously segregated from real estate
- Mineral rights, production interests
- Sold by on-line auction

Questions?