

- Yorkwood Savings Bank, Parsippany, New Jersey, and
- Investors Federal, Richmond, Virginia.

12. Accelerated Resolution Services for the RTC

TCBA was engaged in association with a national CPA firm to provide due diligence and asset valuation review services for the RTC. This engagement was a pilot program in which the RTC tested the whole-bank sale plan for the sale of Investors Federal in Richmond, Virginia, under its Accelerated Resolution Program.

As part of the due diligence team selected by the RTC for the accelerated resolution/disposition of Investors Federal Savings Bank, TCBA performed required due diligence services, including:

Representations and Warranties – Assisted in drafting representations and warranties for bulk sale agreements.

Pre-closing and Post-closing Adjustments – Addressed deficiencies in asset files and collateral before and after the asset sale closing. These services included assessing the deficiencies and coordinating with representatives of the RTC and its attorneys to obtain the requisite documentation to correct the asset and collateral files.

Database Maintenance – Developed and maintained three interactive databases. One tracked individual asset files from receipt from the institution to final delivery to winning bidders. A second database contained information obtained during the due diligence process. This information was routinely compared and reconciled to information from the institution's loan

servicing system. The third database created a library system for tracking investor reviews performed by prospective bidders.

13. Due Diligence and Financial Modeling on over \$2 Billion of Industrial Revenue Bonds

TCBA performed due diligence services for three bulk sales of over \$2 billion of real estate and non-performing assets originally financed with tax-exempt bonds. These services included asset identification, loan file reviews, asset data sheet preparations, site inspection reviews, development of a valuation methodology, derived investment value calculations, preparation of investor review files, management of war room and assistance to financial advisors and attorneys in preparation of marketing books, coordination of investor activities, and all pre- and post-closing functions.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA)

1. Financial Advisor to the Government National Mortgage Association (GNMA) REMIC Program

TCBA, in association with a national firm, served on the Financial Advisory Team to GNMA in connection with its REMIC program. As Financial Advisor, the team assisted GNMA in the design, implementation, and ongoing operation of the REMIC program. The Financial Advisor's role was to ensure that the program was competitive and viable, produced the anticipated revenues to GNMA, exposed GNMA to a minimum level of risk, and provided benefits to home buyers

(lower interest rates) as a result of further liquidity in the secondary mortgage market and increased demand by investors desiring or requiring the full faith and credit of the U.S. government.

The team provided comprehensive assistance to GNMA in the following areas:

- Standards, procedures manuals, and training programs,
- Program guidelines and public policy issues,
- Marketing, pricing, and sponsor relations,
- Production administration and program management, and
- Performance measurement and reporting.

2. Office of Federal Housing Enterprise Oversight (OFHEO)

Under this engagement, TCBA provided services to OFHEO in revising accounting and finance reporting models to include policies and procedures; reviewing standards for measuring financial risk of various housing programs; analyzing market and pricing issues and financial reporting; reviewing programs and systems to monitor risk management; and developing an examinations handbook. Sections of the examination handbook were prepared for derivatives, corporate governance, management control systems, asset and liability management (funding, hedging, swaps, global debt and foreign currencies) and risk management areas (interest rate risk, credit risk, operating risk, off-balance sheet activities, mortgage-backed securities, etc.).

TCBA also provided support for the examinations of Fannie Mae (Federal National Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage

Corporation), collectively known as the Federal Housing Enterprises (FHEs) as a result of the 1992 legislation creating the Office of Federal Housing Enterprise Oversight (OFHEO). In addition, we assisted OFHEO's Examination and Oversight program by providing Examiners, Capital Market Specialists, Information System Examiners, and other specialists as defined by OFHEO to assist in the monitoring and oversight of the FHEs.

STATE/LOCAL GOVERNMENT

1. City of Los Angeles Earthquake Emergency Loan Program Review

TCBA reviewed 250 loans made by the City of Los Angeles Department of Housing (LAHD) under the Earthquake Emergency Loan Program involving \$300 million of funds from HUD. The objective of the program review was to determine if loans were made to eligible borrowers for intended purposes and if funds were properly disbursed. Accordingly, TCBA reviewed LAHD policies and procedures and determined if the loan program was in compliance with all relevant regulations. This review entailed examination of complex loan files and an understanding of various construction project costs, to ensure that disbursements were warranted for work performed.

2. Strategic Planning/Loan Due Diligence for the South Carolina Jobs-Economic Development Authority (JEDA)

The Jobs-Economic Development Authority (JEDA) was established to meet the financing and capital needs