



NEWS
FROM:

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RTC DELIVERS REPORT TO DOLE;
HOME FEDERAL CLOSING BOUNCED 13,650 CHECKS;
SECOND REPORT TO OFFER RTC IMPROVEMENTS TO PROTECT DEPOSITORS

WASHINGTON -- \$1.4 million worth of bounced checks was the legacy of the Resolution Trust Corporation's sudden closure of Home Federal Savings Association of Kansas City, according to an RTC report requested by Senate Republican Leader Bob Dole (R-Kansas).

Fearing that consumers were taking an unnecessary hit, Dole requested the official RTC report to assess the March 27, 1992 closure's impact on depositors. According to Senator Dole, the RTC is now promising a second report on June 10th examining alternatives to prevent any inconvenience to bank customers caused by the instant closure of insolvent thrift branches.

According to the RTC's statistical analysis, 13,650 checks totalling \$1.4 million bounced when 15 branches of the Kansas City S&L were shut down on a Friday afternoon. The RTC claims that 10,745 checks -- 78% of all bounced checks -- were returned within three business days, and that there have been only five consumer requests for "returned check" letters explaining to merchants why checks bounced.

"Looking at the numbers cited in the RTC report, it's clear that the impact of this closure on depositors throughout the area was far beyond what I expected," Dole said. "No doubt about it, the RTC has a tough job, but I hope this report serves as a wake up call, reminding the RTC that consumers must be priority number one. Nevertheless, until we know the fate of every check, and the bottom line impact to consumers, I will continue to monitor the Home Federal Savings shutdown.

"I look forward to seeing the RTC's next report, which promises to outline ways to avoid this kind of problem in the future, while keeping the taxpayer cost of the thrift bailout as low as possible," Dole added.

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