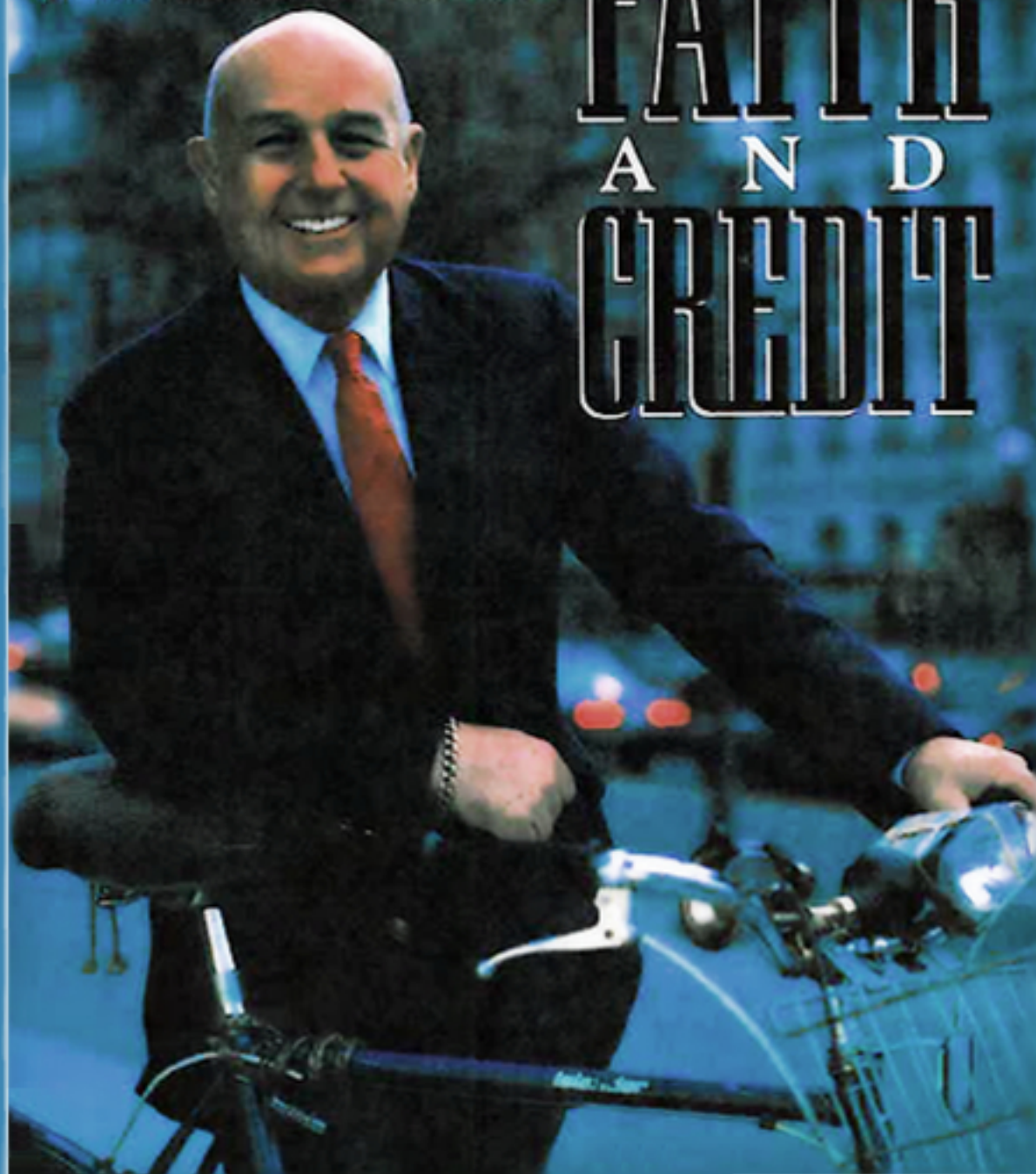


L. WILLIAM SEIDMAN

THE GREAT  
S&L DEBACLE  
AND OTHER  
WASHINGTON SAGAS

# FULL FAITH AND CREDIT



also included golf courses, marinas, condominiums, uranium mines, ranches, windmill farms, coin collections, works of art (and items claimed to be works of art), and office buildings—anything that anybody wanted to put up as collateral at a friendly savings and loan.

When Taylor returned to his job at the Fed, Peter Monroe took over as president of the Oversight Board. His background was in real estate and he had worked at the Department of Housing and Urban Development. An experienced bureaucratic operator, he realized the job's limitations and operated with deference to Robson and company. He did his best for us at the RTC as well, a tough act to pull off, and was a leader in promoting the RTC's pioneering securitization of commercial mortgages program. Anyone who undertook the job of running the Resolution Trust Corporation Oversight Board could count on wearing the scars for the rest of his or her political life.

But my job as CEO of the RTC itself was even less rewarding. The job combined all the best aspects of an undertaker, an IRS agent, and a garbage collector. Being alert to offending any of the foregoing operators, let me add, that any one of those jobs is exemplary and desirable. It is the combination of all three that causes the problem.

A major task of the RTC was collecting hundreds of thousands of loans made by defunct S&Ls, an occupation that never produces many friends. Our lawsuits, most of them to chase individuals who were in no rush to repay money borrowed from institutions that had vanished from the map, further diminished our popularity. Politically, this assured screams of protest by the borrowers to their elected officials. We sued officers and directors for negligent behavior, and we also defended ourselves in court against the outraged borrowers who were no longer allowed to draw on loan commitments made by the brain-dead S&Ls in our mortuary.

Further public outrage was stirred by the billions of dollars of property we wanted to sell in markets already waterlogged