

**Supplement dated April 22, 1993 to
Information Statement dated February 16, 1993**

Federal National Mortgage Association



This Supplement describes the financial condition of the Federal National Mortgage Association (“Fannie Mae” or the “Corporation”) as of March 31, 1993 and contains unaudited financial statements with respect to the Corporation for the quarter ended March 31, 1993. This Supplement should be read in conjunction with the Corporation’s Information Statement dated February 16, 1993 (the “Information Statement”), which is hereby incorporated by reference. The Information Statement describes the business and operations of the Corporation and contains financial data as of December 31, 1992. Fannie Mae also periodically makes available statistical information on its mortgage purchase and mortgage-backed securities volumes as well as other relevant information about Fannie Mae. Copies of the Corporation’s current Information Statement, any supplements thereto and other available information, including the Corporation’s Proxy Statement dated March 29, 1993, can be obtained without charge from Paul Paquin, Senior Vice President—Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016 (telephone: 202-752-7115).

In conjunction with its securities offerings, the Corporation may incorporate this Supplement by reference in one or more other documents describing the securities offered thereby, the selling arrangements therefor, and other relevant information. Such other documents may be called an Offering Circular, Prospectus, Guide to Debt Securities or otherwise. This Supplement does not itself constitute an offer to sell or a solicitation of an offer to purchase such securities.

Fannie Mae is a federally chartered corporation. Its principal office is located at 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016 (202/752-7000). Its Internal Revenue Service employer identification number is 52-0883107.

The Corporation’s securities are not required to be registered under the Securities Act of 1933. At the close of business on March 31, 1993, 274,217,000 shares of the Corporation’s common stock (without par value) were outstanding and were held by approximately 10,200 stockholders of record. Based on the number of requests for proxies and quarterly reports, the Corporation estimates that on March 31, 1993 there were approximately 172,000 additional stockholders who held shares through banks, brokers, and nominees.

The delivery of this Supplement at any time shall not under any circumstances create an implication that there has been no change in the affairs of the Corporation since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

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SELECTED FINANCIAL DATA

The following selected financial data for the three months ended March 31, 1993 and 1992 are unaudited and include, in the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation. Operating results for the three months ended March 31, 1993 are not necessarily indicative of the results expected for the entire year.

(Dollars in millions, except per share amounts)

	Three Months Ended March 31,	
	1993	1992
Income Statement Data:		
Interest income	\$ 3,582	\$ 3,234
Interest expense	2,978	2,745
Net interest income	604	489
Guaranty fees	230	193
Gain on sales of mortgages, net	4	7
Miscellaneous income, net	47	36
Provision for losses	(45)	(80)
Foreclosed property expenses	(33)	—
Administrative expenses	(103)	(86)
Income before federal income taxes and extraordinary item	704	559
Provision for federal income taxes	(220)	(171)
Income before extraordinary item	484	388
Extraordinary loss	(40)	(6)
Net income	\$ 444	\$ 382
Per share:		
Earnings before extraordinary item:		
Primary	\$ 1.76	\$ 1.41
Fully diluted	1.76	1.41
Net earnings:		
Primary	1.61	1.39
Fully diluted	1.61	1.39
Cash dividends	0.40	0.30
March 31,		
Balance Sheet Data:		
Mortgage portfolio, net	\$159,258	\$134,086
Total assets	180,260	155,165
Borrowings:		
Due within one year	50,616	39,944
Due after one year	115,202	101,371
Total liabilities	173,102	149,335
Stockholders' equity	7,158	5,830
Three Months Ended March 31,		
Other Data:		
Net interest margin	1.43%	1.45%
Return on average equity	25.5	26.9
Return on average assets	1.0	1.0
Ratio of earnings to fixed charges(1)	1.22:1	1.20:1
Dividend payout ratio	24.7%	21.5%
Equity to assets ratio	4.0	3.8
Mortgage purchases	\$ 13,841	\$ 17,449
MBS issued	38,970	41,222
MBS outstanding at March 31	457,316	389,853

(1) For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of income before federal taxes and fixed charges. "Fixed charges" represents interest expense.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1993**

Results of Operations

In the first quarter of 1993, Fannie Mae again reported record earnings. Net income grew \$62 million or 16 percent from the \$382 million earned in the first quarter of 1992, primarily due to increases in net interest income and guaranty fee income.

Net interest income in the first three months of 1993 increased 24 percent compared with the first three months of 1992, primarily as a result of 23 percent growth in the average investment portfolio.

The following table presents an analysis of net interest income for the three months ended March 31, 1993 and 1992.

Net Interest Income and Average Balances

(Dollars in millions)

	Three Months Ended March 31,	
	1993	1992
Interest income:		
Mortgage portfolio	\$ 3,383	\$ 3,057
Investments and cash equivalents	199	177
Total interest income	<u>3,582</u>	<u>3,234</u>
Interest expense	<u>2,978</u>	<u>2,745</u>
Net interest income	604	489
Tax equivalent adjustment (1)	<u>30</u>	<u>30</u>
Net interest income tax equivalent basis	<u>\$ 634</u>	<u>\$ 519</u>
Average balances:		
Interest-earning assets:		
Mortgage portfolio, net (2)	\$157,250	\$129,713
Investments and cash equivalents	<u>19,942</u>	<u>13,792</u>
Total interest-earning assets	<u>\$177,192</u>	<u>\$143,505</u>
Interest-bearing liabilities	\$163,774	\$132,490
Interest-free funds	<u>13,418</u>	<u>11,015</u>
Total interest-bearing liabilities and interest-free funds	<u>\$177,192</u>	<u>\$143,505</u>
Average interest rates:		
Interest-earning assets (1):		
Mortgage portfolio, net	8.65%	9.46%
Investments and cash equivalents	<u>4.04</u>	<u>5.24</u>
Total interest-earning assets	8.13	9.06
Interest-bearing liabilities	<u>7.20</u>	<u>8.22</u>
Investment spread .....	.93	.84
Interest-free return (3) .....	.54	.63
Miscellaneous	<u>(.04)</u>	<u>(.02)</u>
Net interest margin	<u>1.43%</u>	<u>1.45%</u>

- (1) Reflects pro forma adjustments to permit comparison of yields on tax-advantaged and taxable assets.
- (2) Includes average balance of nonperforming loans of \$1.2 billion and \$1.1 billion for the three months ended March 31, 1993 and 1992, respectively.
- (3) The return on that portion of the investment portfolio funded by equity and non-interest-bearing liabilities.

The following rate/volume analysis shows the relative contribution of asset and debt growth and interest rate changes to changes in net interest income for the three months ended March 31, 1993 and 1992.

Rate/Volume Analysis

(Dollars in millions)

	Increase (Decrease)	Attributable to Changes in (1)	
		Volume	Rate
First Quarter 1993 vs. First Quarter 1992			
Interest income:			
Mortgage portfolio	\$326	\$609	\$(283)
Investments and cash equivalents	<u>22</u>	<u>67</u>	<u>(45)</u>
Total interest income	348	676	(328)
Interest expense	<u>233</u>	<u>596</u>	<u>(363)</u>
Net interest income	<u>\$115</u>	<u>\$ 80</u>	<u>\$ 35</u>

(1) Combined rate/volume variances, a third element of the calculation, are allocated to the rate and volume variances based on their relative size.

Guaranty fee income increased by \$37 million, or 19 percent, to \$230 million. This change reflected 19 percent growth in average Mortgage-Backed Securities (“MBS”) outstanding when compared with the first quarter of 1992.

In the first three months of 1993, miscellaneous income increased 31 percent to \$47 million versus \$36 million in the first three months of 1992, primarily as a result of higher portfolio and miscellaneous MBS fees. Net REMIC fees, which also are included in miscellaneous income, were \$23 million in both periods.

Administrative expenses for the quarter ended March 31, 1993 were \$103 million, compared with \$86 million during the same period in 1992, primarily due to increased staffing and technology-related expenses. Compensation expense was \$59 million in the first quarter of 1993, compared with \$49 million in the first quarter of 1992. The ratio of administrative expenses to the average mortgage portfolio plus average MBS outstanding was .07 percent in both periods. The ratio of administrative expenses to revenues (net interest income, guaranty fees, and miscellaneous income) was 11.8 percent for the first quarter of 1993, compared with 12.0 percent for the first quarter of 1992.

The effective federal income tax rate for the first three months of 1993 and 1992 was 31 percent.

The Corporation had extraordinary losses of \$61 million (\$40 million after tax) and \$10 million (\$6 million after tax) in the quarters ended March 31, 1993 and 1992, respectively, from the repurchase or call of debt. Management expects that, with interest rates at current levels, additional calls of debt are likely in 1993, and further repurchases of high-coupon debt are possible. The repurchase or call of high-coupon debt favorably affects the Corporation’s cost of funds in future periods.

Credit Data

The following table shows the Corporation's serious delinquencies for conventional loans in portfolio and underlying MBS at February 28, 1993 and March 31, 1992, and conventional foreclosures and total net charge-offs for the quarters ended March 31, 1993 and 1992.

	Delinquency Rate (1)		Number of Properties Acquired		Net Charge-offs (Dollars in millions)	
	February 28, 1993 (2)	March 31, 1992	March 31, 1993	March 31, 1992	March 31, 1993	March 31, 1992
Single-family . . .	.64%	.63%	2,747	2,238	\$25	\$44
Multifamily	2.44%	2.99%	6	3	5	13
Total					<u>\$30</u>	<u>\$57</u>

- (1) Single-family serious delinquencies consist of those loans in the portfolio or underlying MBS for which the Corporation has the primary risk of loss that are 90 or more days delinquent, in relief, or foreclosure. Multifamily serious delinquencies are those loans in the portfolio or underlying MBS that are 60 days or more delinquent for which the Corporation has primary risk of loss. The single-family and multifamily percentages are based on the number of such single-family loans and dollar amount of such multifamily loans, respectively, in the portfolio and underlying MBS.
- (2) Data as of March 31, 1993 not yet available.

The increases in the rate of single-family serious delinquencies and single-family properties acquired primarily reflect the high volume of loans purchased or securitized in the late 1980s, which are entering their peak foreclosure years, as well as weak economic conditions in California and the Northeast.

The inventory of single-family properties was 4,872 as of March 31, 1993, compared with 3,544 as of March 31, 1992. The inventory of multifamily properties was 38 as of March 31, 1993, compared with 24 as of March 31, 1992.

Credit-related expenses and net charge-offs in the first quarter of 1993 reflect the adoption of a new accounting standard for foreclosed assets. Under the new standard, foreclosure, holding, and disposition costs, which previously were charged against the loss allowance, are recorded in the income statement as foreclosed property expenses. Total credit-related expenses, which include foreclosed property expenses and the provision for losses, were \$78 million in the first quarter of 1993, compared with \$80 million in the first quarter of 1992. The sum of net charge-offs and foreclosed property expenses in the three months ended March 31, 1993 was \$63 million, compared with \$57 million in net charge-offs during the same period in 1992.

The allowance for losses increased to \$795 million at March 31, 1993 from \$780 million at December 31, 1992.

Balance Sheet Analysis

Mortgage Portfolio

The Corporation purchased \$13.8 billion of mortgages at an average yield of 7.42 percent in the first three months of 1993, compared with \$17.4 billion of mortgages at an average yield of 8.02 percent in the first three months of 1992. The decline in mortgage purchases in 1993 was primarily due to a decrease in the number of mortgages offered for sale in the secondary market, in large part resulting from a slowdown in refinancing activity.

Mortgage loan repayments during the first quarter of 1993 totaled \$7.6 billion, compared with \$8.6 billion in the first quarter of 1992. The decrease in loan repayments was primarily due to the

lower level of refinancing activity. Sales from portfolio totaled \$3.0 billion for the first three months of 1993, compared with \$1.2 billion for the first three months of 1992.

As of March 31, 1993, the net mortgage portfolio totaled \$159.3 billion with a yield (before deducting the allowance for losses) of 8.57 percent, compared with \$156.0 billion at 8.68 percent as of December 31, 1992. The decrease in yield was primarily due to a decline in conventional mortgage purchase yields as interest rates declined.

At March 31, 1993, the Corporation had mandatory delivery commitments and lender option commitments outstanding to purchase \$6.2 billion and \$15.5 billion of mortgage loans, respectively, compared with \$4.7 billion and \$9.2 billion, respectively, of such commitments outstanding at December 31, 1992.

Financing and Other Activities

During the first three months of 1993, the Corporation issued \$58.0 billion of debt at an average cost of 3.35 percent and redeemed \$58.6 billion at an average cost of 3.69 percent. Debt issued in the first three months of 1992 totaled \$55.4 billion at an average cost of 4.35 percent, and debt redeemed was \$47.6 billion at an average cost of 4.58 percent. The average cost of debt outstanding at March 31, 1993 and December 31, 1992 was 7.15 percent and 7.21 percent, respectively.

The Corporation's shareholders' equity at March 31, 1993 was \$7.2 billion, compared with \$6.8 billion at December 31, 1992.

As discussed in the Information Statement under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Regulatory Developments," the Corporation, effective October 28, 1992, is subject to revised capital standards. As of March 31, 1993, the Corporation met the applicable standards, although the precise level of capital required cannot be definitively determined until regulations relating to off-balance-sheet obligations other than MBS are published. Management expects that continued growth in retained earnings will ensure continued compliance with the applicable standards.

On April 20, 1993, the Board of Directors approved an increase in the dividend on the Corporation's common stock to 46 cents per share for the quarter ended March 31, 1993 from 40 cents per share.

Mortgage-Backed Securities

The Corporation issued \$39.0 billion of MBS during the first three months of 1993, compared with \$41.2 billion in the first three months of 1992. REMIC issuances declined 4 percent in the first quarter of 1993 to \$31.7 billion from the \$33.1 billion in REMIC issuances in the comparable period in 1992.

The following table summarizes MBS activity for the three months ended March 31, 1993 and 1992.

Summary of MBS Activity

(Dollars in millions)

<u>March 31,</u>	Issued				Outstanding (1)		
	Lender Originated (1)			<u>Total</u>	Lender	Fannie Mae	<u>Total (4)</u>
	<u>Risk</u>	Fannie Mae	Fannie Mae		Risk (2)	Risk (3)	
1993	\$1,084	\$34,437	\$3,449	\$38,970	\$75,402	\$381,914	\$457,316
1992	2,717	35,481	3,024	41,222	92,767	297,086	389,853

- (1) This table classifies lender originated MBS issued and MBS outstanding based on primary default risk category; however, Fannie Mae bears the ultimate risk of default on all MBS. MBS outstanding includes MBS that have been pooled to back Megas, SMBS, or REMICs.
- (2) Included in lender risk are \$38.4 billion and \$42.0 billion at March 31, 1993 and 1992, respectively, on which the lender or a third party agreed to bear default risk limited to a certain portion or percentage of the loans delivered and, in some cases, the lender has pledged collateral to secure that obligation.
- (3) Included are \$7.6 billion at March 31, 1993 and \$9.0 billion at March 31, 1992, which are backed by government insured or guaranteed mortgages.
- (4) Included are \$20.0 billion and \$18.3 billion at March 31, 1993 and 1992, respectively, of Fannie Mae MBS in portfolio.

The increase in MBS outstanding where Fannie Mae has primary default risk is primarily due to lender reaction to capital rules that require lenders to have more capital for MBS where they bear default risk.

Adoption of New Accounting Standards

In the first quarter of 1993, the Corporation adopted Statements of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and No. 109, "Accounting for Income Taxes." Adoption of these standards did not have a material impact on earnings. For further information regarding these standards, see "Income Taxes—New Accounting Standard" and "Employee Benefits—Postretirement Benefit Plans" in the Notes to Financial Statements in the Corporation's Information Statement.

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FEDERAL NATIONAL MORTGAGE ASSOCIATION
INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,	
	1993	1992
	(Dollars in millions, except per share amounts)	
Interest income	\$ 3,582	\$ 3,234
Interest expense	<u>2,978</u>	<u>2,745</u>
Net interest income	604	489
Guaranty fees	230	193
Gain on sales of mortgages, net	4	7
Miscellaneous income, net	47	36
Provision for losses	(45)	(80)
Foreclosed property expenses	(33)	—
Administrative expenses	<u>(103)</u>	<u>(86)</u>
Income before federal income taxes and extraordinary item	704	559
Provision for federal income taxes	<u>(220)</u>	<u>(171)</u>
Income before extraordinary item	484	388
Extraordinary loss — early extinguishment of debt (net of tax effect of \$21 million in 1993 and \$4 million in 1992)	<u>(40)</u>	<u>(6)</u>
Net income	<u>\$ 444</u>	<u>\$ 382</u>
Per share:		
Earnings before extraordinary item:		
Primary	\$ 1.76	\$ 1.41
Fully diluted	1.76	1.41
Net earnings:		
Primary	1.61	1.39
Fully diluted	1.61	1.39
Cash dividends	0.40	0.30

CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 1993	December 31, 1992
	(Dollars in millions)	
Assets		
Mortgage portfolio, net	\$159,258	\$156,021
Investments	11,713	14,786
Other assets	9,289	10,171
Total assets	<u>\$180,260</u>	<u>\$180,978</u>
Liabilities		
Debentures, notes, and bonds, net		
Due within one year	\$ 50,616	\$ 56,404
Due after one year	115,202	109,896
Other liabilities	7,284	7,904
Total liabilities	173,102	174,204
Stockholders' equity	7,158	6,774
Total liabilities and stockholders' equity	<u>\$180,260</u>	<u>\$180,978</u>

See Notes to Interim Financial Statements

FEDERAL NATIONAL MORTGAGE ASSOCIATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months	
	Ended March 31,	
	1993	1992
	(Dollars in millions)	
Net cash provided by operating activities	\$ 161	\$ 1,799
Cash flows from investing activities:		
Purchases of mortgages	(13,982)	(17,431)
Proceeds from sales of mortgages	3,016	1,207
Mortgage principal repayments	7,897	8,664
Net decrease (increase) in investments	<u>3,073</u>	<u>(109)</u>
Net cash provided (used) by investing activities	<u>4</u>	<u>(7,669)</u>
Cash flows from financing activities:		
Cash proceeds from issuance of debt	57,811	55,106
Cash payments to retire debt	(58,641)	(47,623)
Other	<u>(57)</u>	<u>(105)</u>
Net cash (used) provided by financing activities	<u>(887)</u>	<u>7,378</u>
Net (decrease) increase in cash and cash equivalents	(722)	1,508
Cash and cash equivalents at beginning of period	<u>5,193</u>	<u>4,357</u>
Cash and cash equivalents at end of period	<u>\$ 4,471</u>	<u>\$ 5,865</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
(Unaudited)

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1993 are not necessarily indicative of the results that may be expected for the year ending December 31, 1993. The unaudited interim financial statements should be read in conjunction with the audited financial statements and notes to financial statements that are presented in the Information Statement dated February 16, 1993.

NOTES TO INTERIM FINANCIAL STATEMENTS (Continued)

Commitments and Contingencies

The Corporation had outstanding commitments to purchase mortgages and to issue MBS as shown below:

	<u>March 31, 1993</u> (Dollars in billions)
Commitments to purchase mortgages:	
Mandatory delivery	\$ 6.2
Lender option(1)	6.3
Average net yield on mandatory delivery	7.03%
Commitments to issue MBS:	
Mandatory delivery(1)	\$ 0.5
Lender option(1)	4.2
Master commitments:	
Mandatory delivery(2)	74.5
Lender option	24.1

(1) Excludes commitments attached to master commitments, which are included in the total for master commitments.

(2) Under a mandatory master commitment, a lender must either deliver under an MBS contract at a specified guaranty fee or enter into a mandatory portfolio commitment with the yield established upon executing the portfolio commitment.

The Corporation also guarantees timely payment of principal and interest on outstanding MBS as summarized below:

	<u>March 31, 1993</u> (Dollars in billions)
Total MBS outstanding	\$457.3
Amount for which the Corporation has primary foreclosure loss risk(1):	
Conventional	374.3
Government insured or guaranteed	7.6

(1) The Corporation, however, assumes the ultimate risk of loss on all MBS.

Income Taxes

As discussed in the Information Statement under “Income Taxes — IRS Examinations” in the Notes to Financial Statements, the Internal Revenue Service (“IRS”) has proposed certain deficiencies related to hedging transactions. Of the \$300 million hedging-related contingency disclosed in the Notes to Financial Statements, approximately \$110 million, which includes cumulative interest (net of tax effect) of \$40 million, relates to certain hedging deductions in the Corporation’s 1986 and 1987 tax returns that involve legal issues different from the set of issues currently being litigated. Management does not expect that an adverse decision on the hedging-related issues currently in litigation would have a significant negative impact on the other set of issues.

The Corporation believes the positions and deductions taken in its tax returns are proper and will contest vigorously any efforts to change their timing or characterization.

COMPUTATION OF EARNINGS PER SHARE

(Unaudited)

	Three Months Ended March 31,	
	1993	1992
	(In millions, except per share data)	
Primary Earnings Per Share:		
Average common shares outstanding.....	274.0	273.3
Effect of common stock equivalents	<u>1.1</u>	<u>1.1</u>
Average primary shares outstanding	<u>275.1</u>	<u>274.4</u>
Income before extraordinary item	\$ 484	\$ 388
Net income	444	382
Primary earnings per share before extraordinary item	\$ 1.76	\$ 1.41
Primary earnings per share	1.61	1.39
Fully Diluted Earnings Per Share:		
Average common shares outstanding.....	274.0	273.3
Effect of common stock equivalents	<u>1.3</u>	<u>1.2</u>
Average fully diluted shares outstanding	<u>275.3</u>	<u>274.5</u>
Income before extraordinary item	\$ 484	\$ 388
Net income	444	382
Fully diluted earnings per share before extraordinary item	\$ 1.76	\$ 1.41
Fully diluted earnings per share	1.61	1.39

MANAGEMENT

On April 20, 1993, the Board of Directors elected Robert B. Zoellick Executive Vice President, General Counsel and Corporate Secretary-Designate. He will rejoin Fannie Mae in May 1993 and will succeed Caryl Bernstein when she retires June 30, 1993. Mr. Zoellick, 39, was Deputy Chief of Staff of the White House from August 1992 to January 1993. From March 1989 to August 1992 he was Counselor of the State Department, and from March 1991 to August 1992 he also served as Under Secretary for Economics and Agricultural Affairs. Mr. Zoellick also served as President Bush's personal representative to the G-7 Economic Summits in London and Munich. He was Counselor to the Secretary of the United States Department of the Treasury from January 1988 to July 1988 and Executive Secretary and Deputy Assistant Secretary of the Treasury from August 1986 to January 1988 and December 1985 to July 1986, respectively. From 1983 to 1985, he was Vice President and Assistant to the Chairman and Chief Executive Officer of Fannie Mae.

Ann D. Logan will succeed Michael Smilow as Executive Vice President and Chief Credit Officer in May 1993. Mr. Smilow has announced his retirement effective June 1, 1993.

On April 20, 1993, the Board of Directors elected Kenneth J. Bacon Senior Vice President-Northeastern Regional Office. He will succeed Ann Logan in May of 1993 when she becomes Executive Vice President and Chief Credit Officer of the Corporation. Mr. Bacon, 38, was Director of the Office of Securitization at the Resolution Trust Corporation ("RTC") from February 1991 to April 1993. He also served as Director of Policy and Deputy Director of Policy of the RTC Oversight Board from August 1990 to February 1991 and May 1990 to July 1990, respectively. From June 1987 to May 1990 he was Vice President, Mortgage Products Group, at Morgan Stanley & Co.

On February 16, 1993, the Board of Directors elected Linda K. Knight Senior Vice President and Treasurer of the Corporation effective March 1, 1993. Ms. Knight, 43, had been Vice President and Assistant Treasurer since November 1986.

Ellen Seidman resigned as Senior Vice President-Regulation, Research and Economics effective February 26, 1993, in order to become Special Assistant to the President for Economic Policy.