

December 1995

RESOLUTION TRUST CORPORATION

Performing Assets Sold to Acquirers of Minority Thrifts



General Government Division

B-260116

December 22, 1995

The Honorable Alfonse M. D'Amato
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and
Urban Affairs
United States Senate

The Honorable James A. Leach
Chairman
The Honorable Henry B. Gonzalez
Ranking Minority Member
Committee on Banking and
Financial Services
House of Representatives

As required by the Resolution Trust Corporation (RTC) Completion Act,¹ we have reviewed RTC's efforts to sell performing assets to acquirers of failed thrifts under the minority preference resolutions program. The act required us to annually assess RTC's determination of fair market value of performing assets and determine the number and type of assets sold under the program.

During fiscal year 1994, there were no transfers of assets under the minority preference resolutions program. This report covers asset transfers occurring in fiscal year 1995. This will be our only report on this subject since RTC has resolved all of the failed thrifts it received and all thrifts taken over in the future will be resolved by the Federal Deposit Insurance Corporation (FDIC). FDIC is not required by law to establish a similar asset transfer program.

Results in Brief

On the basis of our discussions with firms experienced in pricing large volumes of mortgage loans and our review of mortgage loan valuation literature, we found that RTC had established a reasonable process anchored to agency² and mortgage securities markets standards. This process allowed for the independent valuation of 1- to 4-family residential mortgage loans that were offered for sale to minority acquirers. RTC

¹The Resolution Trust Corporation Completion Act, P. L. 103-204, 107 Stat. 2369, 2378 (1993).

²Agency refers to the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), and Government National Mortgage Association (Ginnie Mae).

contracted with two independent valuation contractors, experienced in mortgage securities markets, to provide separate prices for each loan, which RTC then averaged and offered to the minority acquirer as the final price. By removing itself from the initial phase of the loan pricing process, RTC demonstrated that it was committed to establishing a process that was equitable and fair to minority acquirers but that, at the same time, attempted to maximize total return on the disposition of assets as required by law. Under this program, 11 of the 14 minorities who bought thrifts from RTC purchased 4,063 1- to 4-family residential mortgage loans.

Moreover, to price the loans, the two valuation contractors appeared to have established a reasonable methodology that considered and adjusted for movements in interest rates, credit risk sensitivity, and the fact that these were RTC loans. Further, officials at Fannie Mae and Freddie Mac found the pricing methodology used by the valuation contractors to be generally consistent with their approaches.

In commenting on a draft of this report, RTC's Vice President for Asset Management and Sales stated that RTC agreed with our findings, as well as with our description of its program to sell performing assets to acquirers of minority thrifts.

Background

RTC was required by law to assist minorities to acquire failed thrifts. Specifically, the RTC Completion Act required RTC to give preference to any offer from minority bidders for acquiring failed thrifts located in predominantly minority neighborhoods (PMN) that would result in the same cost to RTC as determined under section 13(c)(4) of the Federal Deposit Insurance Act, as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991. This section of the act requires RTC to choose the alternative for resolving a failed thrift that results in the least cost to RTC. Additionally, a minority acquirer of a thrift in a PMN was to have first priority in the deposition of performing assets of failed thrifts.

To satisfy these requirements, RTC established its minority preference resolutions program in February 1994. Under this multifaceted program, RTC was to offer a failed minority-owned thrift to investors of the same minority group before offering it to others. Additionally, bidding preferences were to be given to offers from minority-owned financial institutions to acquire any failed thrift whose home office was located in a PMN or that had 50 percent or more of its offices in PMNs, provided that this preference would not increase the cost to RTC. Specifically, under the

preference, if a minority bidder was within 10 percent of the highest bid made by a nonminority bidder, then a “best and final” round of bidding was to take place between them.

As part of this program, RTC was also to provide a winning minority bidder with (1) interim capital assistance of up to two-thirds of the required regulatory capital and (2) branch facilities, located in a PMN and owned by RTC, on a rent-free basis for 5 years. In July 1994, RTC issued procedures for selling 1- to 4-family residential mortgage loans to acquirers of whole thrifts or branches under this program. In essence, after the sale of a thrift, RTC was to have 45 days to develop the preliminary pricing of the loans to be sold, and the minority acquirer was to have up to 90 days to review the loans. When this review was completed, RTC was to give the acquirer the final sales prices for the loans. The acquirer was then to have 3 days to decide which loans to purchase and a fourth day to notify RTC of its choice. Minority acquirers could purchase loans of up to 100 percent of the net deposits assumed from RTC in the acquisition of the failed thrift.

The process RTC established to sell performing 1- to 4-family residential mortgage loans to minority acquirers has undergone several changes, in part because of concerns raised by a group of seven minority acquirers. This group believed (1) that RTC should not be responsible for pricing the loans, (2) that RTC’s current methodology resulted in the loans being overpriced, and (3) that the resale provision was unfair. In March 1994, RTC stated that it would have its own staff price the loans. However, to ensure that the pricing was done in an equitable manner, in June 1994 RTC hired two asset valuation contractors to independently price the mortgage loans, thus removing itself from the pricing process. To ensure objectivity, RTC awarded fixed-fee contracts whereby neither the sales price established for the loans nor the price paid by the purchaser was a factor in determining the fee paid to the asset valuation contractors.

Additionally, RTC’s March 1994 pricing procedures and mortgage loan sales agreement stated that RTC would be entitled to receive 50 percent of the acquirer’s profit if the acquirer sold any of the mortgage loans prior to 181 days after the closing of the sales agreement. However, by June 1994, RTC had decided to eliminate this resale provision based on concerns raised by the minority group.

Finally, under the provisions of the mortgage loan sale agreement, RTC was expected to credit, to the minority acquirers who exercised their option to purchase the mortgage loans, the interest accrued on the loans selected.

The period of accrual was to begin 45 days after the signing of the agreement and end on the day preceding the closing date of the transaction. The accrued interest is defined in RTC's minority loan pricing procedures as the coupon interest rate on the loans less the average federal funds' rate during the accrual period.³ However, to resolve a contract dispute regarding the final pricing of the mortgage loans, RTC provided the minority acquirers who decided not to purchase the mortgage loans with the following option—the acquirer could choose not to exercise the agreement on the loan portfolio, but rather receive the interest accrued on the respective portfolio. Under this option, the acquirer waived the right to purchase any 1- to 4-family residential mortgage loans through the minority resolutions preference program.

Objectives, Scope, and Methodology

The RTC Completion Act required that we submit an annual report to Congress on transfers of performing assets by RTC to any acquirer. In discussions with the oversight committees, it was agreed that our report would focus on assets sold to minority acquirers. Specifically, the objectives of our review were to (1) assess how RTC determined the fair market value for the loans transferred and (2) ascertain the number and description of performing loans transferred to minority thrifts.

Although the act required us to assess RTC's determination of fair market value for the loans transferred, we were unable to evaluate RTC's determination for the following reasons. First, fair market value is commonly measured through competitive sales. Second, loans not purchased by minority acquirers were sold in bulk, and sales prices were not assigned to individual loans. Third, there were no data available to compare the prices of the mortgage loans sold to minority acquirers with the prices of other loans sold by RTC, because fewer whole loans were available for sale once RTC's securitization program started showing results around June 1991.⁴ Therefore, we focused on assessing the reasonableness of the process RTC established to price the mortgage loans, including the methodology used by RTC's valuation contractors. To assess reasonableness, we discussed the methodology and models used to price the 1- to 4-family residential mortgage loans with RTC officials and the two valuation contractors. While both valuation contractors were cooperative in discussing the methodology in general, they were reluctant to discuss their pricing models in detail. The valuation contractors considered the

³The federal funds' rate is the interest rate charged by banks to other banks in need of overnight loans.

⁴Securitization is the process of assembling similar assets into pools that are used to collateralize newly-issued securities, which are referred to as mortgage-backed securities.

specifics of these models to be proprietary because each firm has individually and confidentially developed its own model. This did not affect our determination of the reasonableness of these models because we were able to determine what factors were considered in the models.

We also interviewed two of RTC's three due diligence contractors to understand their role and responsibilities.⁵ Further, we reviewed RTC's policies and procedures and the valuation contractors' operating guidelines. To obtain additional perspectives on RTC's process, we interviewed officials of Freddie Mac and Fannie Mae who were involved in valuing asset portfolios similar in type to RTC's assets. To better understand how mortgage loans are valued, we also reviewed academic literature on mortgage loan valuation.

Finally, we were contacted by seven minority acquirers and their advisers after they met with RTC and learned of our review. We subsequently met with them to understand their experiences in purchasing loans from RTC under the minority preference resolutions program. As a follow-up to that meeting, we also interviewed their valuation contractor to obtain information on the methodology used to assess the price of the loans.

To accomplish our second objective, which was to determine the number and type of loans sold to minority acquirers, we obtained and analyzed, but did not independently verify, RTC transaction reports showing asset sales through the minority preference resolutions program. These reports identify the type and number of loans sold, as well as their quality, price, and purchaser. In addition, we also interviewed RTC officials regarding the reliability of the reports.

We requested comments on a draft of this report from the Deputy and Acting Chief Executive Officer of RTC or his designee. On November 28, 1995, RTC's Vice President for Asset Management and Sales provided a written response in which he concurred with our findings. These comments are reprinted in appendix I.

We did our work between August 1994 and October 1995 in accordance with generally accepted government auditing standards.

⁵Due diligence is the process of evaluating information on the assets to fully assess their value.

RTC Established a Reasonable Process for Pricing Mortgage Loans

The pricing of mortgage loans is a difficult and complex process requiring the use of a sophisticated and technical methodology. RTC established a reasonable process to price mortgage loans that was anchored to agency and mortgage securities markets standards. This process provided for an independent valuation of 1- to 4-family residential mortgage loans that were offered for sale to minority acquirers of failed thrifts located in PMNS. It is first important to note that RTC did not price the loans itself; instead, in June 1994 it hired two independent valuation contractors experienced in mortgage securities markets to determine the price of each mortgage loan. Each valuation contractor was required to price the mortgage loans on an individual basis, rather than at a portfolio level, because the acquirers were allowed to purchase some, all, or none of the loans under the minority preference resolutions program.

RTC also hired three due diligence contractors to preliminarily review each loan to determine whether it was eligible for sale under the minority preference resolutions program. To be eligible for sale under the program, the loan had to be a performing 1- to 4-family residential mortgage type. The purpose of RTC's due diligence loan file review was to secure essential information that could be used to evaluate the loans for sale. Some of the essential documents included the loan note, mortgage insurance certificate, title, appraisal, and credit and verification forms. The due diligence contractors were not required to make judgments about credit decisions or the loan's salability. According to RTC's valuation contractors, the pricing of the mortgage loans began upon receipt of the loan data files from RTC's due diligence contractors. The valuation contractors were to review these data files for completeness and accuracy and to notify RTC of any errors or missing documents in the loan file.

RTC told us that it generally resolved these deficiencies by requiring the due diligence contractors to update the loan file. The valuation contractors said that the loans were then stratified to determine whether individual loans conformed to secondary market standards.⁶ Using RTC's stratification criteria, the two valuation contractors were to group the loans into three levels, referred to as "strats." According to RTC, its stratification criteria were based on agency and secondary market standards and reflected the minority preference resolutions program guidelines. See table 1 for RTC's criteria for the strat categories.

⁶The secondary mortgage market standards as recognized by Fannie Mae, Freddie Mac, and other investment firms include the rules for buying and selling mortgages that have already been originated or issued.

Table 1: RTC's Strat Criteria

Strat category	Criteria
Strat one	Currently performing with no more than one 30-day delinquency in the last 12 months Immaterial document deficiency
Strat two	Currently may be 30-days delinquent or may have two 30-day late payments in the last 12 months Immaterial document deficiency
Strat three	Currently may have one 60-day or three 30-day late payments in the last 12 months Significant document deficiency

Note: Strat four loans are more than 60 days past due and are generally not offered under the program.

Source: RTC Division of Asset Management and Sales.

Under stratification, the two valuation contractors assigned strat codes based on the loan data provided by the due diligence contractors. The valuation contractors' pricing reports showed that they assigned the same strat for the majority of the loans. The two valuation contractors said that, in cases where there were missing loan data, the loans were considered to be of lower quality and were therefore assigned to a higher strat category.

After loan stratification, both valuation contractors used standard mortgage-backed security methodologies to price each RTC mortgage loan. This was done to determine the mortgage loan's market value as objectively as possible. The initial step under this approach was to assign each loan a benchmark price, which approximated the market value of a mortgage loan at a given point in time. For example, Freddie Mac's 1-year adjustable rate mortgage price was generally used as the benchmark for adjustable rate mortgages. According to one valuation contractor, selecting an appropriate benchmark price is a critical step in this methodology.

According to the valuation contractors, the agency benchmark price assigned to each mortgage loan was first determined by matching a loan's characteristics to the most closely similar agency mortgage-backed security.⁷ Second, after the loan servicing fee was subtracted from the

⁷Loan characteristics include such factors as collateral type, geographic location, and interest rate.

current rate on RTC's mortgage loan,⁸ the loan's interest rate and the agency's interest rate were matched. For example, a RTC fixed rate mortgage loan with an 8-percent interest rate net of loan servicing would be matched with an agency mortgage-backed security with an 8-percent fixed rate. Next, an equivalent benchmark price from the mortgage-backed security price database was selected. The two valuation contractors stated that, when determining the preliminary and final prices, they were required by RTC to use secondary market data from the close of business of the Wednesday prior to their receiving the loan data files. This pricing data, obtained from Knight-Ridder, was a composite of prices from seven different sources,⁹ updated daily. Thus, the pricing reflected the actual market value of the mortgage loans purchased at that time. According to one valuation contractor, consistently using one date in time minimized subjectivity.

Once the agency benchmark price was determined, adjustments for movement in interest rates and credit risk sensitivity were made. To determine the adjustments for interest rate risk, both valuation contractors said they used an analytical technique known as option-adjusted spread model. This model priced a mortgage loan or mortgage-backed security by simulating many different future patterns of interest rates. The model then used these simulations and the specific characteristics of the mortgage loan to predict prepayments, which determined the cash flow of the mortgage. Finally, the model matched the predicted cash flow to the current mortgage prices, to determine the price for the mortgage in question.

In addition to the adjustments made for interest rate risks, assessments for credit risk were done to estimate the probability of default. To determine the discounts for credit risk, both contractors analyzed each loan and assigned it a risk weight based on characteristics that affect risk. These risk characteristics include loan-to-value (LTV) ratio, geographic location, mortgage insurance, and delinquency status.¹⁰ Both valuation contractors agreed that an important variable in determining the severity of risk was the current LTV ratio, because it provided a reliable valuation of the collateral. In general, the higher the LTV the greater the risk. After the risk weights were assigned, they were multiplied together to obtain the total

⁸Loan servicing was initially removed so that the model would be on a par with the agency benchmark, since Fannie Mae and Freddie Mac were not involved in loan servicing. However, after the benchmark was determined, loan servicing was added back to RTC's mortgage loan benchmark.

⁹These seven sources included Fannie Mae, Freddie Mac, and Ginnie Mae mortgage securities.

¹⁰Loan-to-value ratio refers to the amount borrowed compared to the cost or value of the property purchased.

credit risk. The contractors acknowledged that this part of the process was slightly subjective, but they agreed that this was an accepted technique in the secondary market.

The final adjustments were for the strat category, unusual loan types (such as balloon mortgages where the balance of the loan was due in one lump sum on a specified date), and the fact that these were RTC loans from a failed thrift. The two valuation contractors also said that determining these adjustments was a subjective matter, but both believed that correct assessments of these discounts depended heavily on previous experience in valuing and marketing RTC assets—experience which both contractors possessed.

Each valuation contractor provided RTC with each loan's final price and strat category. After receiving the two reports, RTC averaged the two loan prices. The averaged price was offered to the minority acquirers as the final price. RTC's data showed that, although the two contractors worked independently to price the 4,063 mortgage loans, there were fewer than 100 cases in which they differed on the final price of the mortgage loan. The difference in price was usually less than half a percent. However, in cases where they differed significantly, RTC required both valuation contractors to reprice the loans.

We discussed the mortgage-backed securities approach used by RTC's contractors with officials from Fannie Mae and Freddie Mac, who said that the methodology appeared to be reasonable. Specifically, the officials said that the methodology was similar to the approach they used to value mortgage loans and contained the elements necessary to value mortgage loans. For example, although officials at Fannie Mae and Freddie Mac would not discuss the specifics of their models because they are considered proprietary, they explained that measuring interest rate movement and credit risk sensitivity are very important steps in valuing mortgage loans.

Alternative Pricing Methodology Proposed by Some Minority Acquirers

Seven minority acquirers and RTC were unable to agree on the mortgage loan prices. These acquirers believed that the mortgage loans were overpriced. They also believed that RTC's pricing methodology did not establish the fair market value of the mortgage loans. They therefore discussed with RTC the possibility of using an alternative methodology to price the loans. RTC decided not to use the alternative methodology proposed by the minority acquirers because it believed that the

methodology being used established a fair market value for the loans and that none of the mortgage loans were overpriced.

The alternative methodology proposed by the minority acquirers was similar to the asset valuation reviews (AVR) used by RTC in 1992. Under the AVR process, RTC hired independent contractors to review samples of assets to estimate the potential loss for each asset category held by failed thrifts. AVR computes the present value of such assets using a discount rate based on secondary markets and adjusted for risk-related factors such as loan documentation. The estimated recovery values were not determined for individual loans in a portfolio, but rather for the category as a whole.

In their efforts to demonstrate that the mortgage loans were overpriced, the seven minority acquirers contracted with a firm to complete an analysis of the mortgage loans RTC made available for sale under the minority preference resolutions program. While the approach of the minority acquirers' contractor was somewhat similar to that used by RTC's contractors, there were also fundamental differences. For example, RTC's contractors stratified and assigned benchmarks to each loan, while the minority acquirers' contractor stated that benchmarks were not determined for individual loans, but rather for the portfolio as a whole. Additionally, RTC's contractors and the minority acquirers' contractor also differed on the coefficients, which are risk weight factors used in calculating the loan price.

As previously stated, the approach of the minority acquirers' contractor was similar to RTC's AVR process. In summary, to determine the mortgage loan price, the minority acquirers' contractor said it used a discounted cash flow methodology based on the assets' expected income and yields on mortgage trading in the secondary market. The price was then adjusted for risk-related factors, such as the probability of default, loan quality, and document deficiencies. To determine the adjustments for movement in interest rates, prepayment speeds were estimated using the Wall Street consensus speeds for like mortgage loan rates. Cash flows for each loan type were calculated using loan characteristics and prepayment speeds. These cash flows were discounted to determine the market value of the loans. Finally, the minority acquirers' contractor believed that a yield premium, to account for the fact that the loans were being provided in conjunction with an acquisition of marginal quality deposit liabilities, was also appropriate.

The seven minority acquirers and their contractor contended that the AVR approach was an acceptable methodology to price the assets because RTC had used it in the past. However, an RTC official stated that their process for pricing mortgage loans had evolved over the years and that they no longer used the AVR approach. RTC believed that the current mortgage-backed security approach resulted in a better determination of fair market value and attempted to maximize total return on the disposition of a failed thrift's assets, as required by law.

Loans Sold to Minority Acquirers

RTC set aside about \$3 billion in residential mortgage loans for possible sale to minority acquirers through its minority preference resolutions program. Between January 1994 and September 1995, RTC offered 16 pools of performing 1- to 4-family residential mortgage loans to the 14 minority acquirers who purchased failed thrifts located in PMNS. As of October 11, 1995, 11 minority acquirers had purchased 4,063 mortgage loans for \$289.6 million. Table 2 provides detailed information on their 13 transactions.

Table 2: RTC Mortgage Loan Sales to Minority Acquirers

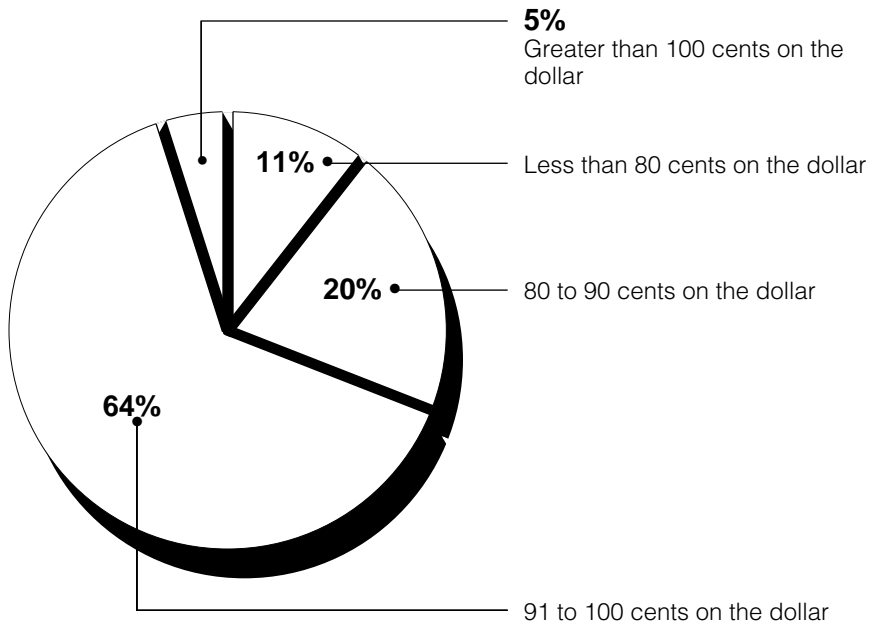
Transaction	Date of sale	Number of loans	Purchase price (percent)	Purchase price (millions)
One	10-31-94	446	94.61%	\$30.6
Two	10-31-94	475	94.52	34.6
Three	11-08-94	161	95.83	11.0
Four	12-07-94	9	98.97	0.9
Five	12-20-94	1,132	82.68	45.1
Six	01-18-95	126	96.82	11.1
Seven	01-31-95	140	96.49	21.5
Eight	02-17-95	237	96.99	17.3
Nine	02-21-95	726	94.12	45.4
Ten	02-28-95	197	95.13	30.2
Eleven	05-31-95	354	96.87	32.3
Twelve	08-30-95	33	96.74	5.6
Thirteen	09-28-95	27	97.44	4.0
Total		4,063		\$289.6

Note: Two minority acquirers exercised two loan sales transactions each.

Source: RTC Division of Asset Management and Sales.

Additionally, our analysis of the final loan prices showed that, of the 4,063 mortgage loans, 64 percent, or 2,606, were sold for between 91 and 100 percent of the book value, as shown in figure 1.

Figure 1: Final Mortgage Loan Pricing Distribution



Note: The total number of loans sold was 4,063.

Source: RTC Division of Asset Management and Sales.

Finally, as of October 11, 1995, RTC had paid \$4 million in accrued interest to the 11 minority acquirers who purchased mortgage loans and \$1.4 million in accrued interest to 3 minority acquirers who decided not to exercise their option to purchase mortgage loans. RTC officials believe that paying the \$1.4 million in accrued interest was the best alternative to resolving a contract dispute with the minority acquirers over the final pricing of the mortgage loans. We did not determine whether this practice was the best alternative to resolving the contract dispute because it was outside the scope of our assignment.

We are sending copies of this report to other interested congressional committees and subcommittees, RTC's Deputy and Acting Chief Executive Officer, and the Chairman of the Thrift Depositor Protection Oversight Board. Copies will be made available to others upon request.

This report was prepared under the direction of Ronald L. King, Assistant Director, Government Business Operations Issues. Other major contributors to this report are listed in appendix II. If you have any questions, please contact me on (202) 736-0479.



Gaston L. Gianni, Jr.
Associate Director, Government
Business Operations Issues

Contents

Letter		1
Appendix I Comments From the Resolution Trust Corporation		16
Appendix II Major Contributors to This Report		17
Tables	Table 1: RTC's Strat Criteria	7
	Table 2: RTC Mortgage Loan Sales to Minority Acquirers	11
Figure	Figure 1: Final Mortgage Loan Pricing Distribution	12

Abbreviations

AVR	Asset Valuation Review
FDIC	Federal Deposit Insurance Corporation
LTV	loan-to-value
PMN	predominantly minority neighborhood
RTC	Resolution Trust Corporation

Comments From the Resolution Trust Corporation



RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

November 28, 1995

TO: Gaston L. Gianni, Jr.
Associate Director
Government Business Operations Issues
U.S. General Accounting Office

FROM: Thomas P. Horton
Vice President for ^{TPH}
Asset Management and Sales

RE: Draft Report: Performing Assets Sold to Acquirers of
Minority Thrifts

This is in response to your draft report dated November 1995 which examined the sale of performing single family mortgage loan assets to minority thrift acquirers.

We have reviewed your report and agree with your findings and description of the aforementioned program.

Please do not hesitate to contact me if you require any further information.

cc: John E. Ryan
Hu Benton
Sandra Nobles

801 17th Street, N.W. Washington, D.C. 20434

Major Contributors to This Report

General Government
Division, Washington,
D.C.

Tammy R. Conquest, Senior Evaluator, Government Business Operations
Issues
Michael M. Yacura, Evaluator

Office of the Chief
Economist,
Washington, D.C.

William McNaught, Economist

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

