



Office of Thrift Supervision

FACT SHEET

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First Federal Bank of California, FSB

Institution Profile (September 30, 2009)

- Total Assets: \$6.14 billion
- Headquarters: Los Angeles, CA
- Branches: 38 branches, located in California
- Employees: 509
- First Federal was a federally chartered stock savings bank

Financial Details (September 30, 2009)

- Retail Deposits: \$4.5 billion (73.9 percent of total liabilities and capital)
- Brokered Deposits: \$549 million (12.1 percent of total deposits)
- FHLB Advances: \$1.3 billion (21.2 percent of total liabilities and capital)
- Loan Portfolio: One- to four-family permanent mortgages - \$3.7 billion (60.0 percent of total assets); Multifamily permanent - \$1.8 billion (29.8 percent of total assets);
- Non-performing assets: \$567.7 million (112.4 percent of core capital plus ALLL)
- Classified assets: \$1.7 billion (328.4 percent of core capital plus ALLL)

Institution History

- First Federal was founded in 1929 and became a federal mutual institution in 1935. In 1983, it converted from a mutual institution to stock company.
- In 1987, Firstfed Financial Corporation, a unitary, non-diversified savings and loan holding company was created and listed on the New York Stock Exchange (symbol: FED). It owned 100 percent of the outstanding stock of the FSB. It is currently Over-the-counter (OTC) traded as FFED.

Key Facts and Events

- *Capital and Earnings* – First Federal reported net losses for the past seven consecutive quarters due to poor asset quality, escalating levels of non-performing assets, and loan

loss provisions that severely depleted capital. First Federal reported core capital of 4.25 percent at September 30, 2009, which is a decline of 57.5 percent from September 30, 2008.

- *Asset Quality* – First Federal’s high level of problem assets was the result of significant loan growth between 2004 and 2006 in reduced documentation, option ARM, residential mortgage lending concentrated in California.
- *Receivership* – First Federal was in an unsafe and unsound condition because of substantial loan losses, deteriorating asset quality, and insufficient capital. Attempts to find an investor to recapitalize the institution were unsuccessful. OTS closed First Federal and appointed the FDIC as receiver on December 18, 2009.

Outstanding OTS Enforcement/Supervisory Actions

- January 24, 2008 – Board of Directors Resolution
- December 4, 2008 – Troubled Condition Letter
- December 30, 2008 – Supervisory Directive
- January 26, 2009 – Order to Cease and Desist
- May 28, 2009 – Amended Order to Cease and Desist
- September 21, 2009 – Supervisory Directive

OTS Profile

- Established – 1989
- Thrift institutions supervised, as of September 30, 2009 - 780
- Thrift industry assets supervised, as of September 30, 2009 - \$1.07 trillion