



Office of Thrift Supervision

FACT SHEET

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OTS Fact Sheet on IndyMac Bank

Institution Profile

- Total assets, as of March 31, 2008: \$32.01 billion
- Branches: 33 retail branch offices, all located in Southern California
- Employees: On July 7, 2008, announced staff reduction from 7,200 to 3,400

Recent Deposit Flows

- Deposit *inflows* in the three days prior to June 27, 2008: \$31.2 million
- Deposit *outflows* beginning June 27, 2008: \$730.2 million through July 7 and \$1.3 billion through July 10

Other Financial Details

- Brokered deposits as of June 30, 2008: \$5.97 billion or 32 percent of total deposits
- Federal Home Loan Bank advances as of June 30, 2008: \$10.1 billion
- Loans held (March 2008 10-Q statement): \$11.9 billion in single family loans held for investment, including \$3.4 billion pay-option ARMs (29 percent) and \$4.9 billion interest-only (43 percent)
- Loan servicing (March 2008 10-Q statement): \$184.5 billion in loans serviced for others, including 16 percent pay-option ARMs, 10 percent reverse mortgages and 39 percent fixed-rate mortgages
- Loan servicing portfolio delinquency rate: 8.26 percent

Institution History

- IndyMac Mortgage Holding, Inc. was established in 1985. Since its inception, IndyMac has focused on home mortgage lending.

- On July 1, 2000, IndyMac Mortgage Holding, Inc. completed the acquisition of SGV Bancorp. SGV's thrift subsidiary, First Federal Savings and Loan Association of San Gabriel Valley (\$490 million total assets), became a wholly owned subsidiary of a holding company, IndyMac Bancorp, Inc., and changed its name to IndyMac Bank, F.S.B. IndyMac's merger with SGV was designed for IndyMac Bank to access deposits and Federal Home Loan Bank borrowings to strengthen and diversify its funding base.
- IndyMac Bank commenced operations on July 1, 2000 with \$5.1 billion in total assets. Consistent with prior operations, IndyMac originated residential loans for sale, for securitization and for its portfolio. Residential mortgage lending and mortgage banking activity remained its primary areas of focus.
- IndyMac Bank operated as a hybrid thrift/mortgage banking company and grew to become the seventh largest savings association and ninth largest servicer of mortgages in the U.S. From June 2005 to March 2008, IndyMac grew from approximately \$18.3 billion to \$32.0 billion. The growth was mainly due to the Alt-A mortgage loan production pipeline, private label mortgage-backed securities and mortgage servicing rights. IndyMac Alt-A loans were generally jumbo loans that were underwritten largely based on the borrower's credit score and the loan-to-value ratio, and many did not have full verification of income or assets (less than full documentation loans).

Recent Events

- Over the past nine months, IndyMac incurred significant losses, severely depleting capital and jeopardizing the institution's continued viability. IndyMac's mortgage banking operations focused on Alt-A single family mortgages, which the bank could not securitize and sell in late 2007 due to the decline in the secondary market for non-agency mortgage loans. IndyMac moved \$10.7 billion of loans intended for sale to the category of "held for investment" in the fourth quarter of 2007.
- In response to market conditions and OTS concerns, IndyMac changed its business plan in November 2007 to focus on originating mortgage loans qualifying for purchase by the government sponsored enterprises (agency-eligible loans).
- With limited prospects of maintaining adequate capitalization, IndyMac sought to obtain a significant capital infusion or to find a buyer.
- The pressure on IndyMac required time to be relieved. Negative news coverage and a subsequent deposit run beginning on June 27, 2008 took that time away. The deposit run followed the release of a letter from Senator Charles Schumer to the FDIC and OTS on June 26, 2008. The letter outlined the Senator's concerns with IndyMac. The institution did not have sufficient access to liquidity to withstand the deposit run.
- With insufficient liquidity to meet its obligations, and no viable alternatives to return to profitability and restore capital adequacy, IndyMac was in an unsafe and unsound condition to transact business.
- OTS placed IndyMac into receivership, formed a newly chartered thrift, and named the FDIC as conservator for the new thrift, called IndyMac Federal Bank, FSB.

OTS Enforcement Actions

- January 7, 2008 – Started a regular examination of IndyMac four months ahead of schedule due to concerns the agency noted through its off-site monitoring and meetings with management.
- January 17, 2008 – Issued initial ratings downgrades based upon the off-site monitoring and the initial findings of the regular examination.
- June 11, 2008 – Sent enforcement order (Memorandum of Understanding) to Bank (executed June 20, 2008)
- June 30, 2008 – Issued final regular examination report with further ratings downgrades.
- July 1, 2008 – Issued Supervisory Directive and Troubled Condition Letter
- July 3, 2008 – Sent Cease and Desist Order to the Bank

Largest Previous Failures by Asset Size

1934-2008

Source: FDIC

Institution Name	Location	Failure Date	Total Deposits *	Total Assets *	Total Assets * # (Adjusted to 2007 \$)	Estimated Loss * (12/31/2007)	Thrift Institution?
CONTINENTAL ILLINOIS NAT BK & TR	CHICAGO, IL	5/17/1984	28,590,214	39,956,956	79,800,222	N/A	No
AMERICAN S&LA	STOCKTON, CA	9/7/1988	15,411,331	30,162,228	52,909,022	0	Thrift (predates OTS)
FIRST REPUBLICBANK-DALLAS, N.A.	DALLAS, TX	7/29/1988	7,680,063	17,085,655	29,970,773	2,017,459	No
BANK OF NEW ENGLAND, NATIONAL ASSOC	BOSTON, MA	1/6/1991	9,406,853	13,428,614	20,452,031	573,039	No
GIBRALTER SAVINGS, FA	SIMI VALLEY, CA	3/31/1989	7,575,392	13,382,327	22,393,004	94,595	Thrift (predates OTS)
HOMEFED BANK, FA	SAN DIEGO, CA	7/6/1992	8,903,571	12,175,590	17,998,304	751,633	OTS-regulated thrift
* = dollar amounts in thousands							
# = OTS calculation							

OTS Profile

- Established - 1989
- Thrift institutions supervised as of July 10, 2008 - 830
- Thrift industry assets supervised as of July 10, 2008 - \$1.57 trillion
- OTS employees - 1,055
- IndyMac assessment revenue - Four percent of the total OTS assessments