

Questions to be answered by FINSAC

Restructuring and sale of institutions

1. What was the gross amount disbursed by FINSAC to failed financial institution?
2. For what specific purposes, to which institution and in what amount were these disbursements made? (For example purchase of preference shares in X Limited at a cost of J\$ 10,000,000.00.)
3. What were the gross and net amounts received from the sale of the restructured institutions?
4. Who was the valuator of each of the institutions sold by FINSAC?
5. Was each valuator a licensed valuator?
6. Who prepared the documentation on the offer for sale of each institution?
7. Who reviewed the responses to the offer for sale of each institution?
8. Who selected the persons with whom negotiations should be done in respect of each institution?
9. Who made recommendations on the price and terms of sale of each institution?
10. Who approved the price and terms of sale of each institution?
11. Who approved the sale contract for each institution?

Debts and securities transferred from institutions

12. What was the gross amount of debts transferred from each institution to FINSAC?
13. Were any of these debts challenged by the debtors?
14. How was each challenge by a debtor addressed?
15. Were there counter claims by any debtor against a Finsaced institution?
16. How was each counter claim by a debtor addressed?
17. What steps did FINSAC take to validate the accuracy of the debtors account balance transferred from the institution?

18. What was the gross value of the securities transferred from each failed institution to FINSAC?
19. What was the amount collected from debtors up to the point that the debts were transferred to JRF or other parties?
20. What was the gross amount of debts that were forgiven?
21. What were the criteria applied in determining the debtors or debts to be forgiven?
22. Who were the persons whose debts were forgiven?
23. What was the gross and net amount recovered from the sale of securities underlying debts up to the point that these securities were transferred to JRF or other parties?
24. Who was the valuator of each of the non-financial institutions sold by FINSAC?
25. Who prepared the documentation on the offer for sale of each institution?
26. Who reviewed the responses to the offer for sale of each institution?
27. Who selected the persons with whom negotiations should be done in respect of each institution?
28. Who made recommendations on the price and terms of sale of each institution?
29. Who approved the price and terms of sale of each institution?
30. Who was the valuator of each of the properties sold by FINSAC?
31. Who prepared the documentation on the offer for sale of each property?
32. Who reviewed the responses to the offer for sale of each property?
33. Who selected the persons with whom negotiations should be done in respect of each property?
34. Who made recommendations on the price and terms of sale of each property?
35. Who approved the price and terms of sale of each property?

Transfer of debts and securities to JRF and others

36. What was the gross amount of debts transferred by FINSAC to JRF and each other party?

37. Was an independent valuation of these debts undertaken by a competent valuator?
38. If so who was the valuator and what value was placed on the debts?
39. What was the gross value of securities pledged by debtors whose debts and securities were transferred to JRF and each other party?
40. Was an independent valuation of these securities undertaken by a competent and licensed valuator?
41. If so who was the valuator and what value was placed of the securities?
42. What percentage of the value of debts transferred to JRF did the payment by JRF of US\$ 23,000,000.00 represent?
43. Why was title to the debts and securities transferred to JRF when the payment by JRF was not payment in full?
44. What was the rationale for entering into a sale agreement with JRF?
45. What was estimated to be the amount that JRF would recover from the debts and securities transferred to JRF?
46. What was estimated to be the amount that FINSAC/ GOJ would recover from the debts and securities transferred to JRF?

Treatment accorded to debtors, depositors, shareholders in each failed financial institution

47. Were the depositors in each failed institution treated similarly? For example did each depositor receive a similar percentage of their deposits plus interest?
48. If not state the difference in treatment accorded to depositors and the justification for the variation in the treatment;
49. Were the depositors in all failed institution treated similarly? For example did each depositor in each failed institution receive a similar percentage of their deposits plus interest?
50. If not state the difference in treatment accorded to depositors across institutions and the justification for the variation in the treatment;
51. How were deposits, positive current account balances, funds held in escrow, etc, held in the names of debtors treated? For example were such balance offset against loan balances or were they refunded?

52. Were the shareholders in all failed institution treated similarly?
53. If not state the difference in treatment accorded to depositors and the justification for the variation in the treatment;
54. Was there an agency agreement/s between the FINSAC (a private company) and the government that supported the activities that were undertaken by the institution?
55. Should the answer to the above be in the affirmative the Commission is requesting that it be provided with a copy of each agreement?
56. Should the answer be in the negative under what instrument of authority was title to the debts and underlying securities vested in FINSAC?
57. Under what instrument of authority were the activities undertaken by the FINSAC?
58. For what purpose was FINSAC incorporated?
59. What was the policy of FINSAC in dealing with the failed institutions, namely, commercial banks, merchant banks and insurance companies?
60. What criteria did FINSAC use to determine whether an institution was insolvent or had a liquidity problem?
61. Did FINSAC rehabilitate any of the failed institutions? If so, which ones?
62. How was such re-establishment accomplished?
63. Did FINSAC inject cash into any of the failed institutions? If so, which ones?
64. Did FINSAC take shares or acquire shares in any of the failed institutions? If so, which ones?
65. What was the total quantum of funds which FINSAC injected into failed institutions?
66. Were depositors in the failed institutions repaid 100% of their capital plus interest to date of repayment?
67. What was the source of the money to make the abovementioned repayment to depositors?
68. In cases where Directors or shareholders of the failed institutions had deposits in their respective institutions, were they repaid deposits plus interest as in the case of other depositors? If not, why?

69. What was the aggregate indebtedness of the failed institutions at the time of take over by FINSAC?
70. What was average rate of interest on the delinquent loans acquired by FINSAC and held from 1997 to 2002?
71. How much money did FINSAC recover from delinquent loans between the periods 1997 to 2002?
72. What were the total administrative and operational expenses of FINSAC and its subsidiaries from 1997 to 2002?
73. What was the aggregate of the debt sold by FINSAC to Jamaica Re-Development Foundation (JRF) in 2002?
74. What was the average interest rate on those debts at that time?
75. What is the amount received by FINSAC from JRF from 2002 to 2008 as proceeds from delinquent debtors?
76. What administrative, operational and legal expenses have been incurred by JRF from 2002 to 2008?
77. What was the average interest rate that JRF charged delinquent debtors from 2002 to 2008?
78. What is the total amount of indebtedness, still outstanding by delinquent borrowers as of June 2009?
79. In cases where FINSAC released securities by way of sale was there valuation prior to sale?
80. Were sales of delinquent borrowers' properties by way of Public Auction? If so, how many by Public Auction and how many by Private Treaty?
81. How many delinquent borrowers there were with secured debts?
82. How many delinquent borrowers there were with unsecured debts?
83. Were any law suits brought to recover debts, and if so, how much was recovered consequent on litigation?
84. Did FINSAC render accounts to delinquent debtors when requested? If not, why?

NOTE

Please prepare a Schedule without using the names of delinquent borrowers, but use alphabetical letters with the following information in respective columns –

- a. Debt with interest due;
- b. Valuation; and
- c. Sale price.

No names ought to be used for confidentiality, hence, use letters or symbols.