Savings and Loan Crisis: 1980-1989

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In the 1980s, the financial sector suffered through a period of distress that was focused on the nation’s savings and loan industry.

### Savings and Loan Crisis

**1980-1988**

The thrift industry was experiencing a period of rapid growth in the late 1970s and early 1980s. However, by the late 1980s, Congress decided to address the thrift industry's problems. In 1989, it passed the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), which established the Resolution Trust Corporation (RTC) to resolve the remaining troubled thrifts. The RTC closed 747 S&Ls with assets of over $407 billion. The RTC closed 747 S&Ls with assets of over $407 billion.

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### Sections

- **What Happened**
- **A Turbulent History**
- **Reforming the System**
- **Regulation**

**What Happened**

- The thrift industry started experiencing problems in the late 1970s, and the crisis reached its peak in the early 1980s.
- The crisis was caused by a combination of factors, including a decline in the housing market, an increase in interest rates, and a lack of regulation.
- The RTC was established to resolve the remaining troubled thrifts.

**A Turbulent History**

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**Reforming the System**

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