

# An Analysis of Post-Deregulation Savings-and-Loan Failures

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## Abstract

A number of studies have looked at the financial characteristics of problem or failed savings and loans but none have used data taken exclusively from the post-deregulation period. In this paper, the financial characteristics of savings and loan associations that failed during the period 1984-II to 1985-I are analyzed, using both univariate difference in means tests and multivariate logistic regression. Both the known unequal population prior probabilities and the estimated unequal misclassification costs are taken into account in the logistic regression. The empirical results are compared to those of recent studies by Benston [7] and Barth, Brumbaugh, Sauerhaft and Wang [5]. The financial ratios that significantly affect the probability of failure are different in the three studies.

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