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World Savings had integrity

As a World Savings employee from 1992 to 1998, in a position of management within Training and Development and Human Resources, I can honestly say that World was a bright spot in the banking industry. We did NOT make 100% loans, like our competition did, because we understood that the borrower had to have a feeling of true ownership and investment in his or her home. We fully comprehended that a 100% loan was a poor business investment. Furthermore, our underwriting standards were as much to the benefit of the borrower as they were to our company. There were debt to income ratios established that largely prevented us from making loans that were not within the borrower's ability to make the calculated mortgage payments. The values of the properties were established by our own in-house appraisers. This value was based upon then Current Fair Market Values; not "pie in the sky" expected appreciation that much of the loan industry relied upon. For the protection of the borrower, we even set caps on payments and amounts that interest rates could go up in a year. This provided the mortgagee with peace of mind that payments would NOT elevate beyond their ability to pay.

Bottom line: our "bad loan" ratio was the lowest in the industry. Our philosophy was that the loans had to make sense for World and the borrower. Our policy was not to package loans to sell in the secondary market; instead, retained the loans in our in-house portfolio. We did not want our loans to go "bad" anymore than our borrows did. We even had a "work it out" mechanism for borrowers who were having difficulties making payments.

Does this sound like an irresponsible company that was taking advantage of the public?

When we were bought out, Wachovia got a very well regarded, profitable company: the pride of the industry. In hindsight, the timing for them wasn't good, because the whole financial industry began to decline shortly after the buy-out. However, at the time of the purchase, World was the crown jewel of the industry with the lowest ratio of troubled loans extant.

It is poor journalism to demonize World Savings as the cause of Wachovia's financial troubles. The true cause is the irresponsible practices of a majority of other financial organizations that caused credit problems. There were entirely too many that acted without integrity. These problems, in turn, affected Wachovia. I feel that if other financial organizations had practices like World, we would not have had the financial meltdown and credit crunch that exists today.

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