

February 16, 2009

The World Savings I Know!

I am a previous 19 year employee and officer of World Savings and proud of it! After seeing the segment on 60 minutes, I am compelled to write and set the record straight. World Savings was the only company that tried to do the right thing despite the pressure from the rest of the industry. During my 19 years in the World Savings appraisal department, we were consistently trained and encouraged to only turn out appraisals that were honest and represented the true value of the property. We were given the responsibility for being gate-keepers along with the underwriters to make sure that our customers were put in homes where the real value and any marketability risks were known up front. Many loans were turned down because the property did not meet our high standards. We reviewed and re-reviewed appraisals and had regular personal conversations with our underwriters regarding the property we were lending on. We regularly took our underwriters to look at complex property being appraised so they could make a good loan decision. Work done by independent contractors was scrutinized on a level that resulted in many of the reports being re-written to meet our standards. Appraisers and managers were rewarded only if they produced quality appraisals with accurate values. The level of review of our staff appraisal organization was un-matched by any competitor ever! If the Sandlers were looking to increase profitability, they would have closed the staff appraisal organization down, used AVMs more and created an Appraisal Management Company with reviewers that aren't even licensed appraisers (like most of the banks have today)! It is impossible for someone outside of World Savings to understand the personal level of responsibility every employee took in making sure that we made the highest quality loans. We were encouraged to look beyond the face value of a transaction and to alert the underwriter if there was any concern regarding the loan. Ask any mortgage broker about the World Savings process and they would tell you it was tough to get a loan through! To say that we had lax practices and encouraged loose standards couldn't be farther from the truth. Take a look at the areas of the country where home values have not dropped (i.e. the mid-south) and it wouldn't take long to see World Saving's non-performing assets are non-existent. Get a home auction list (as I have done) and out of thousands of foreclosures there is often only one that was World Savings loan. Herb and Marion Sandler are to be applauded for the organization they created with a company culture that was based on doing the right thing for the customer even if it wasn't the most popular or financially rewarding process. To tarnish the good name of World Savings based off a single employee that was known for being a whistle-blower and obviously didn't do a very good job at World Savings which resulted in him getting fired, is a disgrace! I am proud of what World Savings stood for and CBS would be better served to report on the lending practices World Savings honored that could have prevented the problems we are currently in as a nation.

Sincerely, Beth Duffey