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60 minutes follow up

First and foremost, I can no longer view “60 Minutes” as a legitimate source for news and information after the unbelievable delivery of the piece on World Savings. As a 20 year loan department employee of World Savings, I was shocked and appalled at the how the story was presented. “60 Minutes”, who decided to run a story based on the allegations of Paul Bishop, without investigating thoroughly and carefully his character and performance while he was an employee of World, and subsequently omitting the valid testimony and feedback of many other tenured ex World loan employees, is therefore clearly negligent and guilty of “sensational” journalism.

Where are the factual stories on Countrywide, WAMU, and IndyMac, who were the primary proponents of dysfunctional and catastrophic loan products, blatantly unsound underwriting practices, and undeniably reckless relationships with Wall Street “collateralizers”? These are the culprits that created this current foreclosure crisis and subsequent economic vortex.

GoldenWest (World Savings) never relaxed its focus on originating quality assets. Right through the merger (and even under Wachovia management), maintaining high quality standards for the portfolio was outlined in the annual objectives from the Office of the Chairman all the way down to the loan offices nationwide.

In achieving those annual quality objectives, there were many fundamental differences in World Savings process and product from the aforementioned option arm lenders, such as:

- The Pick a Payment product (at World) was designed to be consumer friendly with a recast feature that was built to allow gradual payment increases for 10 years (recast not to occur until 10 years or 125% of original balance versus 5 years or 110/115% with aforementioned option arm lenders).

- World Savings performed either an in house appraisal or a staff review of every loan funded. All levels of management were consistently trained to focus on high quality standards for performing and interpreting appraisals. All decision makers regularly attended transaction review van tours where loans in process and previously funded loans were analyzed for accuracy and thought process on decisions. Our competitors relied on “fee appraisals” ordered and influenced by mortgage brokers with little or no review process.

- The fundamental underwriting philosophy never changed at World: make good quality loans that would perform in the portfolio. Each transaction was approved or denied by a trained Underwriter, who was instructed to make sense of the scenario. They did this by analyzing the application, corresponding documentation, the entire credit report, the preliminary title report, and the appraisal. There were no automated decision models or algorithms to approve/deny customers.

- After every loan funded, the borrowers received a call within 10 days from a trained representative, who inquired if they had any questions about their loan. World also called every customer before their 1st anniversary date of origination to explain their annual payment change notice.

- Ask any mortgage company who was an approved account with World, and they would tell you that we provided the best training in the business for their companies and brokers. Every World loan representative was thoroughly trained on the World product line and on how to present and train to their customers/sources of business.

These are just a few of the primary differences between World and the “other” lenders who originated option arms during the past decade, and why World’s performance for both borrowers and for its shareholders, was unmatched.

For “60 minutes” to omit these facts, and focus solely on the testimony of 1 disgruntled employee, is irrational, irresponsible and relegates their journalistic reputation to the likes of the "National Enquirer".

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