

February 15, 2009

Open Letter from a Former Golden West Financial Corporation Employee

I was employed by World Savings, a subsidiary of Golden West Financial Corporation, until I retired in February, 2006, and during my 35 year tenure I progressed from Teller to Group Senior Vice President. During that time I had the opportunity to work in many different areas of the company including the savings branches, administration, human resources, back office operations and all aspects of mortgage lending.

I am dismayed by the publicity I have seen about Herb and Marion Sandler and Golden West Financial Corporation since the Wachovia acquisition. I had the opportunity to work directly with the Sandlers during my tenure, and they are among the most honest and ethical people I know. They have always operated with the utmost integrity and a sincere concern for the best interest of their customers and employees. I am proud to have been associated with them and the company. I would like to share a bit of my 35 years' experience in working at World Savings and my point of view on the issues.

Most of the loans in World Savings' portfolio were adjustable loans, well conceived products that offered payment caps and other features to provide a measure of protection against "payment shock" to borrowers. World Savings had its own appraisal department and most appraisals were performed by World employees. Those appraisals that were performed by outside appraisers were carefully reviewed to ensure that the property values were not inflated. Underwriters received extensive training and took tests to certify that they were competent to underwrite loans at various dollar levels. Even on "no documentation" loans, the borrowers' employment was verified by the underwriters. Since all of the adjustable loans were held in World's portfolio and not packaged or sold as securities, we had every incentive to be certain that the loan fit the borrowers and that the borrowers were able to make the payments.

Approved mortgage brokers also sold World loan products, and these brokers were trained on the details of the mortgage products. Because mortgage brokers were involved in the process, World also had a department that contacted borrowers after their loan closed to be sure that they understood the terms of the loan.

I believe that many of the problems attributed to World Savings are due to a confluence of events that no one could have foreseen. There has been tremendous depreciation in many of the housing markets that World Savings serviced. Most of World's loans were written at 80% of the value of the house or less, and in many markets housing prices have depreciated *far more than 20%* in the past three years. Who could have predicted this steep decline?

Another factor is that during the housing bubble, many borrowers came to expect that their houses would appreciate, and they were refinancing every few years pay off credit card debt that their incomes wouldn't support. When the housing market began depreciating, I am sure that some of these borrowers continued to amass credit card debt, thinking they could refinance again, but they no longer had sufficient equity to do so.

Throughout my 35 year tenure I was given many opportunities to advance my own career, and the training I received in all areas of the company was outstanding. At various points in my career I sold adjustable rate mortgage loans, appraised homes and underwrote loans, and the training in these areas was detailed and first-rate.

Working at World Savings, I appreciated the emphasis on quality and integrity, and I never once was asked to sacrifice my personal principles in my job. I am upset to see the wonderful legacy that the Sandlers built over 40 years tarnished by those who don't understand the business well enough to see what is true and what isn't.

Sincerely,

Harriette (Warner) Einolf