

January 20, 2009

Mr. Bill Keller
Executive Editor
The New York Times
620 Eighth Avenue
New York, NY 10018

Dear Mr. Keller:

Thanks for your letter of January 15, and for agreeing to run the second correction to the story on us.

I am writing not to prolong our dialogue unduly, but simply to leave you in no doubt of our view of the story.

First, on the specific issue of "teaser" rates, I truly believe that someone with neither your stake nor mine who read the story and our correspondence would conclude that a further correction on this point is in order. Your noting that the article "does not say... that it was [us] who lowered [the rate] to 1 percent" seems to be the hair-splitter here. The absolutely clear implication of the article's account of the change to the 1% rate is that it occurred on our watch. The story was, after all, about us, not about World Savings as run by Wachovia.

Next, more broadly, I continue to believe that, as I said in my first letter to you, the story was fundamentally unfair, inaccurate, and not up to the high standards of The New York Times or quality American journalism generally. The story's central themes – that we should be lumped among the villains of the national mortgage debacle of recent years rather than included among those who sought to warn against it and prevent it, and that we took improper advantage of borrowers – are deeply wrongheaded. All this is doubly disappointing given that your reporter had in his possession all he needed to avoid the article's factual and thematic errors. It was little help that the article included a few paragraphs of comment from us. If a story's fundamental theme is wrong, I would think that it needs to be rewritten or not published at all.

I think that there is no more for me to say at this point. I appreciate your having taken time personally to wrestle with the shortcomings of this story.

Very truly yours,

Herb Sandler