

March 17, 2009

Letter from former employee

As an employee of World Savings from 1999 to 2006 in Florida, I am proud of the company and am proud to have had the privilege of working for them. I was severed by Wachovia October 2008.

During my tenure I worked as a loan rep assistant, telemarketing rep, loan processor, and for the last 5 years as an underwriter.

As an underwriter, I understood my sole purpose was to protect the company from loss. I honestly believe we went above and beyond the standard underwriting practice.

I never took an application at face value. I was well aware that the information provided may not be true. Instead I practiced World Savings' common sense approach to underwriting.

I asked the following questions on every loan:

Income - Is it supported by the following?

- prior credit history/management of debt
- timely payment of current/past mortgage or rent
- savings (often verified)
- use of credit cards
- borrowers' occupation and tenure (verified by employer)
- increase in housing cost
- disposition of current residence if owned and profit of sale

Property / Residency

A simple search of public records would often indicate whether the borrower(s) owned other properties

Is their employment located in the same geographical area as the subject property?

Does the appraisal indicate owner-occupied or tenant occupied?

Is this a risky property? In a down market would the marketability be affected by proximity to train tracks, interstate, a busy street, commercial property, high-tension power lines, waste facility, etc?

Are there any liens on the property?

Are property taxes paid current?

Transaction

Does the transaction make sense?

If it is a refinance, does it make sense for the borrower?

If it's rate and term, what is the benefit? Lower interest rate and/or lower payment?

If it's a cash-out transaction, what's the purpose of the cash-out? Home improvement/debt consolidation?

If it's a purchase, is there a real estate agent involved?

Does the buyer and seller have a relationship?

Has the buyer and seller exchanged property in the past?

Is there a possibility of a straw buyer?

A simple search of public records often provided information not disclosed.

These are just an example of some of the questions I would ask when evaluating an application before making a decision.

As underwriters we were and still are extremely proud of the low delinquency rate of our loans. It proved we were doing our job and doing it well. However, we could not control the economic downfall of the housing market due to the risk taken by others. It's unfortunate that others in the mortgage industry did not use common sense.

Sincerely,

Regina Orlik