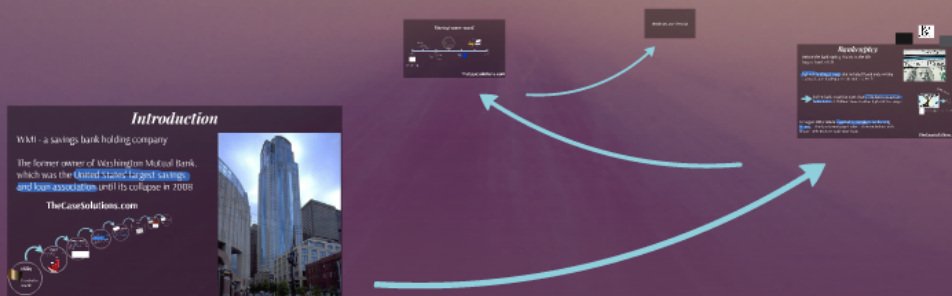
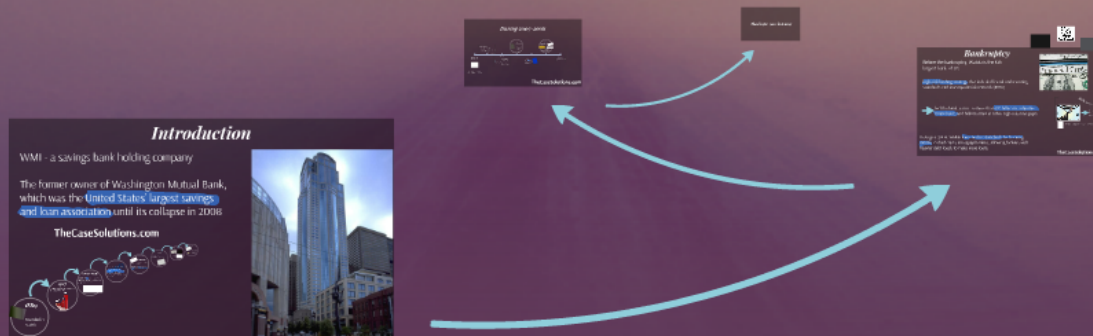


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## Performance Management for Health in Washington State

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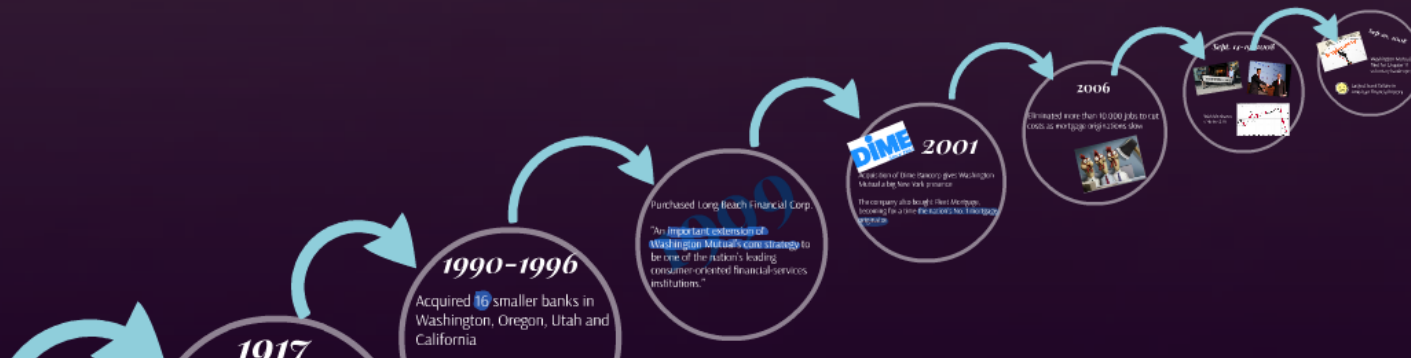
# Performance Management for Health in Washington State

# *Introduction*

WMI - a savings bank holding company

The former owner of Washington Mutual Bank, which was the United States' largest savings and loan association until its collapse in 2008

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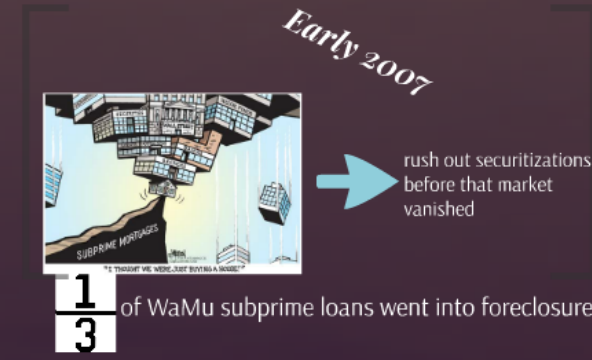
# Bankruptcy

Before the bankruptcy, WaMu is the 6th largest bank of US

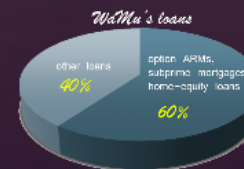
high-risk lending strategy that included liberal underwriting standards and inadequate risk controls (2003)



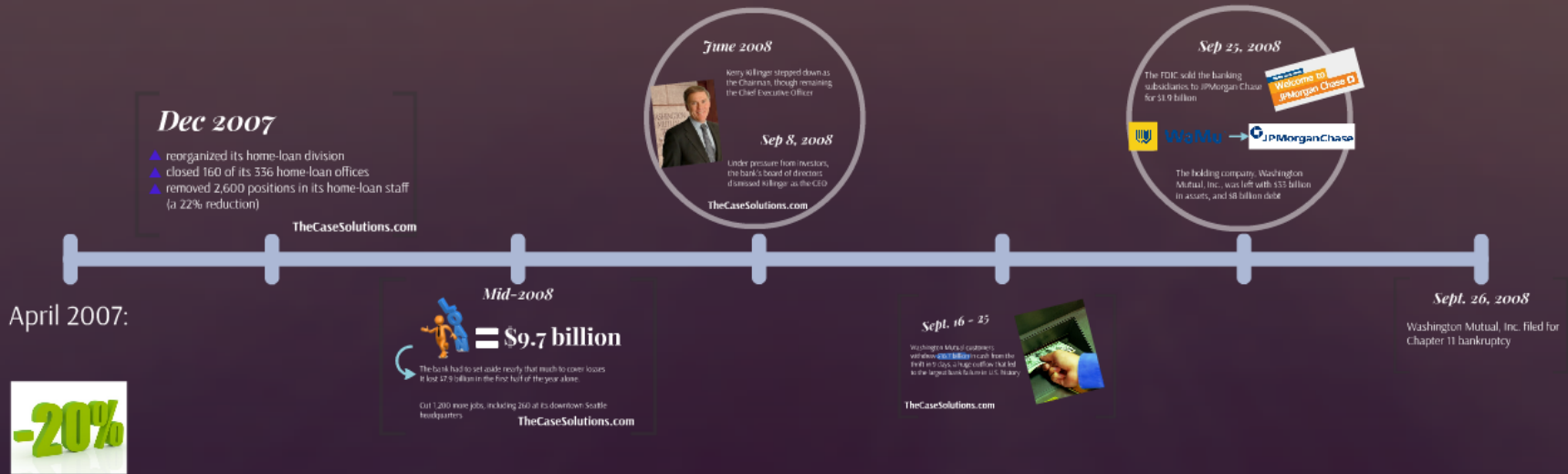
→ led the bank securitize more than \$77 billion in subprime home loans and billions more in other high-risk mortgages



In August 2004, WaMu loosened its standards for fronting money to third-party mortgage brokers, allowing brokers with heavier debt loads to make more loans



# During 2007-2008



DIFFICULT YEAR

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# *Dec 2007*

- ▲ reorganized its home-loan division
- ▲ closed 160 of its 336 home-loan offices
- ▲ removed 2,600 positions in its home-loan staff  
(a 22% reduction)

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*Mid-2008*



**= \$9.7 billion**



The bank had to set aside nearly that much to cover losses  
It lost \$7.9 billion in the first half of the year alone.

Cut 1,200 more jobs, including 260 at its downtown Seattle  
headquarters

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*June 2008*

Kerry Killinger stepped down as the Chairman, though remaining the Chief Executive Officer



*Sep 8, 2008*

Under pressure from investors, the bank's board of directors dismissed Killinger as the CEO

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*Sept. 16 - 25*

Washington Mutual customers withdrew **\$16.7 billion** in cash from the thrift in 9 days, a huge outflow that led to the largest bank failure in U.S. history

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