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Wachovia to shut down mortgage offices in 19 states

Wachovia announced Monday it will be closing down mortgage offices in 19 states where it has few or no retail offices as part of its plan to scale back its mortgage business.

Don Vecchiarello, Wachovia spokesman, says the company wants to focus on building fuller customer relationships in states where it has a branch presence. Mr. Vecchiarello also said the bank felt as though it wasn't efficient to spend resources on states where it has no branches.

Wachovia has chosen to remain in Kansas, Illinois, and Mississippi offering limited mortgage-loan offerings through its smaller number of branches it has in those states; it will however pull all of its mortgage sales people and offices from these three states and 16 others.

The Charlotte based bank is attempting to cut \$1.5 billion in expenses by the end of next year. The cost cutting movement will eliminate 6,950 positions throughout the company, 600 more than previously announced. Christy Phillips-Brown, a spokeswoman for Wachovia, said the additional reductions are all in the mortgage business, which previously had been set to absorb 4,400 of the reductions.

Wachovia expanded into the mortgage industry in 2006 at the peak of the California's housing boom by purchasing California-based Golden West Financial Corp. Under the bank's budget cut plan, 5,000 of its 11,500 mortgage posts, about 43% of its work force, will be eliminated. With its latest announcement, the bank will have eliminated 8,100 mortgage jobs; the cuts have included both Wachovia and Golden West employees, but Golden West has taken the brunt of the fallout.