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## IndyMac sees loss for 2008

IndyMac Bancorp Inc., one of the nation's largest independent mortgage lenders, announced a steeper than anticipated loss for the first quarter of 2008 which caused a 10 percent decline in stock price in early trading Monday. The mortgage provider also announced it would stop interest and dividend payments reasoning that it expects, "substantially declining quarterly losses for the remainder of 2008 but does not foresee return to profitability until home-price declines deteriorate."

In total IndyMac reported a loss of \$184.2 million contrasting a \$52.4 million gain for 2007 and company officials aren't predicting a turnaround any time soon. "We do not expect that Indymac will be able to return to overall profitability until the current decline in home prices decelerates," Chief Executive Michael Perry said in a statement. By not issuing dividends IndyMac is expected to save a little more than \$7 million per quarter as IndyMac will take, "all prudent measures to preserve our capital, improve our capital ratios and keep IndyMac safe and sound," added Perry.

Almost a quarter of the reported losses comes as a result of business division closings within the company, including severance packages for laid-off employees. IndyMac stopped originating new loans during the fourth quarter of last year through its home construction division. Home builders were left with surpluses of unsold homes. Executives blamed "systemic problems" and "over-stimulation of the housing market" as the reasons for the decline.

As a bit of good news IndyMac claims their capital exceeds' regulator requirements and that "excluding discontinued activities, (IndyMac) will be close to breakeven by the third quarter and have a small profit for the second half of 2008."