



Waunakee Rotary Club

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Paul Vilwoc didn't just follow the collapse of the housing market, he lived it.

Currently a mortgage loan initiator with Green Bay-based Associated Bank, Vilwoc saw the ups and downs and shoddy lending practices of the market first hand.

Paul shared his experience during his classification talk at the Jan. 26 Waunakee Rotary meeting.

A Sun Prairie native, Paul graduated from UW-Eau Claire's its business school.

"After that first year of graduating, I think I had six W2s," he said. "I worked at the Wisconsin Cheeseman for a day-and-a-half, the canning factory for a week, I did plumbing and moved refrigerators."

Eventually Paul saw an advertisement in the newspaper calling for a consumer lender at ITT Finance, a "last resort" type lender that would give loans secured by any type of collateral from a ring to baseball cards to bicycles.

"What an education that was," he said with a note of sarcasm.

From application to collection, the lenders with ITT did it all. And because the loans were usually targeted toward those who couldn't get a standard loan with a bank, it typically meant going to clients' doors to solicit their money back.

After an 18-month stint, Paul moved to Household Loan Company where he gained, what he said, was valuable experience in the industry and management experience.

As a branch manager, his duties of helping sell loans dwindled and because the company assessed employees on production, a lot of his time was spent recruiting and "keeping the chairs full."

"You either hit your numbers or you were gone," he said.

Eventually Paul was approached

by a few people wanting him to help originate mortgages with their company.

More traditional than ITT and Household Loans, though with some sub prime loans of their own, Paul stayed with the company for three years before he realized he could do the same work on his own.

He fulfilled his dream of being in business for himself and opened up a mortgage lending company in April 1999. There he learned the market and its key players and was being fairly successful.

But in 2004, the subprime loans started to creep back into many lenders' offerings. By 2006 Wall Street realized the potential of the risky, subprime loans and started buying them off lenders, which ramped up offerings of the subprime loans to take advantage of their new investors.

In late 2006 and 2007, notes were not being repaid and the markets were starting to collapse.

"Sales reps weren't coming to our doors any more; they weren't taking us out to lunch," Paul recalled.

By 2008 he said businesses were closing up their doors altogether because their clients couldn't afford to pay their loans.

After the 2008 collapse of the housing market – and thus the economy as a whole – newfound regulations popped up to help keep lenders in check. As the regulations were phased in, it became more costly for Paul to do business.

In 2010 he met with his few employees and explained it would be hard to keep going and all agreed to shutter the doors.

By March 2010 he closed up for good.

"Oh it was wonderful," he said of the hiatus.

Paul spent his days riding his bike, visiting the zoo, and park, mowing lawns and most importantly taking

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Calendar of Events:

- Feb. 21, *Whitetails at Rex's Innkeeper*
- March 7, *Super Raffle*
- June 8-9, *Rotary District Conference, The La Crosse Center on the Mississippi.*

naps – whatever his 4-year-old son wanted to do.

Because of his passion for lending and working with people, Paul found his way on the Waunakee branch of Associated Bank's mortgage team where he's currently helping book \$3.3 billion in mortgages across the financial institution's market.

Other News:

• The Facebook page contains a link to Rotary founder Paul Harris' biography, www.paulharrisbook.com.

• Phil Willems announced that Rich Wipperfurth presented a \$3,100 check for Rotary Lights raised from pizza sales and donations at the check-out lanes.

Guests: ?

Visiting Rotarians: ?

Birthdays: None.

Anniversaries: None.

Prayers: Feb. 2, Leonard Allen; Feb. 9, Susan Vergeront; Feb. 16, Pat Durden.

Programs: Feb. 2, Club Assembly; Feb. 9, Kim Schaeffer (CEO of Great Wolf Resorts); Feb. 16, Katie Gruber, Teen Challenge (recovery program for young people); Feb. 23, Mark McFarland, classification talk.

Greeters: Feb. 2, Robert Arntz and Kenneth Ballweg; Feb. 9, Roberta Baumann and Conrad Blau.