Guidance questions for *The Lost Bank*, used in Economics 104

1. Having its origins years before the end, what was the primary long-term activity that caused the destruction of Washington Mutual Bank? (Do not be superficial. I am looking for a detailed, inclusive answer, and these activities should be specific to the failure of Washington Mutual, not banks in general during that era. There is some latitude here).

2. When Washington Mutual finally was taken over by the FDIC, for what very specific reason did that have to happen (this is *not* the same as the answer to question 1)? The public behavior that provoked this short-run activity was largely illogical and unnecessary. Why?

3. Given his long tenure at Washington Mutual and evaluating him as a leader, what seemed to be the real strength of Kerry Killinger? Where was he weak or inadequate?

4. Clearly all genuine risk consideration was fully suspended for years at Washington Mutual, even though many employees knew what they were doing was dangerous. So why didn't they stop or even slow down? What institutional reinforcement encouraged this crazy behavior?

5. What kind of loan ended up being the most dangerous for Washington Mutual? Describe the primary features of this loan *in some detail*, including qualification standards for those using the loans.