

City of Fort Lauderdale Response to Proposal Addendum Request RFP No. 745-11437-Banking Services

Friday, September 26, 2014

Submitted by:

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September 26, 2014

City of Fort Lauderdale
Attn: Richard Ewell
Procurement Services Division, Room 619
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

Re: RFP No. 745-11437 – Banking Services – Proposal Addendum – Opening Date: 9/26/14

Dear Mr. Ewell:

As per the request, attached please find our proposal addendum response for the above referenced. This addendum is in addition to the information provided in the original RFP response regarding Wells Fargo's community involvement within the City and surrounding communities.

Please note that following our response summary, we have provided additional information addressing the existing Neighborhood Stabilization Partnership and the requested CRA results, foreclosed properties, and troubled assets information.

Should you require any additional information, please do not hesitate in contacting us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lance Aylsworth".

Lance Aylsworth, Vice President
Relationship Manager
Government and Institutional Banking

A handwritten signature in blue ink, appearing to read "Jackie Kobialko".

Jackie Kobialko, Vice President
Treasury Management Sales Consultant
Government and Institutional Banking

Response Summary – Addendum

Neighborhood Stabilization Partnership

The City is requesting that each respondent submit a proposal addendum regarding only the Request for Proposals (RFP) requirement listed below from page 30 of the RFP:

- **Please provide a proposal detailing what type of partnership you would be willing to form with the city to stabilize neighborhoods in our community. For example, recently a bank developed a partnership with a Midwestern municipality to donate 75 foreclosed houses to the city along with up to \$875,000 to rehab or demolish them. The partnership proposal is worth 5% of the total score.**

"At Wells Fargo, Community Reinvestment is an integral part of our business culture. Wells Fargo has long understood that we can be no stronger, nor more successful, than the neighborhoods and communities where we do business. Supporting our communities allows us to better meet our customers' financial needs and helps us to achieve our goal to be one of America's best companies"

– John Stumpf, CEO

Wells Fargo is committed to building partnerships in our communities across the United States. Wells Fargo is already engaged in and will continue to engage in full partnership in the communities in which its employees live, work and contribute in the South Florida area, including the City of Fort Lauderdale. Wells Fargo has historically contributed and donated properties in the Fort Lauderdale area when feasible, however distressed properties are not always readily available in that market.

The following represents our neighborhood stabilization efforts in your community:

- Housing Foundation
 - Credit Counseling
 - Fort Lauderdale Outreach
 - National Community Stabilization Trust & REO properties discount/donations
 - Home Buyer Priority Program



- Community Commitments
 - The Leading the Way Home® Priority Markets Initiative
 - The UrbanLIFTSM community grant program, funded by Wells Fargo and administered by NeighborWorks America®,
 - Broward County residents – Community Development Mortgage Program
 - Low Income Housing Tax Credits (LIHTC) investment and lending activity
- Overall CRA rating and Test Reports
 - Yearly CRA contributions (2013, 2012, 2011)
- Leading the Way Home Program
 - Customer Education & Outreach
 - Home Preservation
 - Neighborhood Stabilization
 - Neighborhood LIFT Program
 - Grant Programs
- Wells Fargo Home Mortgage commitment to our communities
 - About Wells Fargo Home Mortgage
 - Commitment to fair and responsible lending
 - Customer education and outreach
 - Products and programs to meet consumers' needs
 - Sampling of Community event activities

Going forward, Wells Fargo would strive to maintain its current high-level dedication to the Neighborhood Stabilization Partnership with the City and endeavor to determine what further efforts can be done. We would have a meeting between City officials and Wells Fargo personnel to structure the future efforts in coordination with the current dedication in order to enhance the benefits to its residents.

Housing Foundation

Since 1993, more than \$284 million and 4.7 million team member volunteer hours in support of creating affordable housing and community revitalization programs.

Wells Fargo Housing Foundation's has mobilized more than 184,000 volunteers to build or refurbish more than 5,000 homes in low-to -moderate income communities through:

- Team Member Volunteer Program
- Homeownership Grant Program
- Priority Markets Initiative Grants

The Wells Fargo Housing Foundation (WFHF) provides sustainable homeownership opportunities for low-to-moderate income people by providing volunteer and financial resources to local and national nonprofit housing organizations.

Credit Counseling commitments

We took this extra measure, as federal budget cuts have impacted HUD-approved agencies, in order to help sustain vital services provided by approved credit and housing counselors who work with customers with financial challenges that extend beyond their home payments.

In 2012, Wells Fargo announced an increase to our commitment to national and local credit counseling

Wells Fargo increased its commitment in 2012 to a total of **\$14.7 million** – a **17% increase** over the \$12.4 million in 2011. This includes grants and fee-for-service agreements.

From 2009-2013, Wells Fargo contributed **\$51.7 million** to credit and housing counseling agencies.

- Fee-for-service funding: **\$33.9 million**
- Housing and credit counseling grants: **\$17.8 million**

Outreach Stats

Ft. Lauderdale	2009-July 2014
Total # of events	4
Total # customers invited	29,444
Total # customers attended	1,197
WF HPW # of events	1

WF HPW # customers invited	15,195
WF HPW # customers attended	681
Broward County	2009 – July 2014
Total # of events	8
Total # customers invited	33,831
Total # customers attended	1,389
WF HPW # of events	1
WF HPW # customers invited	15,195
WF HPW # customers attended	681

Wells Fargo was the first lender and servicer to work with National Community Stabilization Trust (NCST) to transfer REO properties to nonprofit organizations and government agencies working to rebuild distressed communities. Nationwide, since the beginning of 2009, we have donated more than 4,800 properties with a value of nearly \$81 million and sold nearly 4,300 properties with total discounts of more than \$37 million.

We have donated or sold at a discount a small number of properties in Ft. Lauderdale—so far this year just one property—but there are a few key reasons why activity levels are so low:

- First, our REO inventory in Ft. Lauderdale is very low. We currently have only 69 REO properties in the city—51 of which are not listed—and have completed only 61 REO sales so far this year. Nearly 72 percent of the REO properties we have sold this year have gone to buyers who intend to occupy the homes.
- Second, the properties that are transferred via a donation or discounted sale typically are low-value properties and the average sales price of REO in Ft. Lauderdale is higher than the state and national averages, meaning very few of our limited supply of REO properties are viable candidates for donation or discounted sales.

Our Home Buyer Priority program provides buyers who intend to occupy the home as their primary residence, and for local non-profits and government housing agencies the opportunity to purchase homes without competition from buyers not intending to occupy the property by establishing a homebuyer priority period on all listings.



Number of days property listed	PAS listing strategy
1-7	No offers will be considered during the first seven calendar days a home is listed
8-15	Offers from buyers intending to occupy the property as their primary residence, as well as offers from nonprofits and municipalities, will be considered
16+	Offers from all buyers will be considered

If all qualifying Home Buyer Priority program buyers pass on a property, and it is determined not to be a donation candidate, it is listed for sale and is available for review on www.reo.wellsfargo.com.

Community Commitments

Within Wells Fargo, we share the responsibility of helping our communities with affordable housing. As a result, we have provided unique programs that assist in the development of housing for our low- to moderate-income families.

The Leading the Way Home® Priority Markets Initiative provides grant support for neighborhood stabilization projects that are located in areas designated for revitalization to stimulate growth, stability and investment in distressed areas. For the last three years, Broward nonprofit organizations have benefitted and were able to provide additional affordable housing opportunities for our low- to moderate-income families. Nonprofit organizations located in Broward County that work in the affordable housing category received \$200,000 and \$120,000 grants respectively for 2011 and 2012. Another nonprofit organization that works in affordable housing was awarded a \$100,000 priority market grant for 2013.

The UrbanLIFTSM community grant program, funded by Wells Fargo and administered by NeighborWorks America®, is designed to provide support to local nonprofits for large neighborhood improvement projects in 25 cities that have substantial diverse populations and have been affected by foreclosures. Two Broward County nonprofit organizations have been approved and have entered into an agreement, which will enhance the neighborhoods of Broward County. These two nonprofit organizations were awarded \$144,870 and \$313,730 respectively during February 2014.

Another program which assists in providing affordable housing that is available to Broward County residents is the Community Development Mortgage Program. It is a portfolio-based mortgage program geared toward assisting low- to moderate-income persons and families to purchase a home. This mortgage program provides the opportunity to purchase a home with a low down payment and does not require the applicant to purchase private mortgage insurance. This was rolled out in Broward County during October 2013.

Our Low Income Housing Tax Credits (LIHTC) investment and lending activity is the best and most widely used resource we have to provide affordable housing in Florida and across the country.

Below are the summaries for the two deals we have closed and financing for large affordable housing transaction, expected to close next month.

- 140-unit new construction affordable property was completed in 2011. The project was financed with LIHTC, with 14 units set aside for 28% Area Median Income and 126 units set aside for 60% Area Median Income. Wells Fargo provided \$17.3MM of equity, a \$6.2MM construction loan and \$3.5MM of permanent debt.
- A 112-unit new construction mixed-income property, financed with LIHTC, with 10 units set aside for 28% Area Median Income, 90 Units set aside for 60% Area Median Income and 12 market rate units. Wells Fargo is providing \$27.2MM of equity, a \$13MM construction loan and \$2.5MM of permanent debt.
- An acquisition and rehab of an existing 105-unit affordable property for seniors to be financed with LIHTC. Twenty-one of the units are set aside for 25% of Area Median Income and 84 of the units are set aside for 60% of Area Median Income. The financing is expected to close in April 2014 and Wells Fargo is providing \$9.5MM of equity, a \$6.5MM construction loan and \$2.95MM of permanent debt.

Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.
The following table indicates the performance level of Wells Fargo Bank, National Association, with respect to the Lending, Investment, and Service Tests:

Performance Levels	Wells Fargo Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

The lending Test is weighted more heavily than the investment and service tests when arriving at an overall rating.

- Wells Fargo Bank, National Association (WFB) demonstrated lending levels that reflected excellent responsiveness to the credits needs in the majority of assessment areas (AAs). During the evaluation period, WFB originated a very large volume of HMDA and CRA reportable loans in relation to the dollar volume of bank's deposits in its AAs.
- WFB's geographic distribution and distribution by income of the borrower or revenue of the farm or business has been generally good. Although there were some AAs where performance was excellent, other AAs showed only adequate performance. It is important to note, however, that distribution of loans by revenue of the business was, with only few exceptions, excellent.
- WFB's volume and nature of community development lending had a significantly positive impact on the Lending Test rating. Community development lending had a significantly positive impact on 12 of the 17 AAs in the full-scope primary rating areas and 24 of the 36 in the non-primary full-scope AAs.

Investment Test

- WFB's performance, as measured primarily by volume of investments, was excellent in 11 of the 17 full-scope AAs in the primary rating areas and 22 of the 36 full-scope AAs in the non-primary rating areas.
- WFB has invested millions of dollars in many of its AAs in support of community development. Identified needs are great, and WFB has addressed many of those needs, especially those for affordable housing. WFB often invests in large national or regional funds that, in turn, make investments, typically in projects that qualify for Low Income Housing Tax Credits (LIHTC), in many of WFB's AAs.
- The qualified investments made by WFB are useful and effective in meeting the needs of its communities and their residents. With exceptions, they are not innovative.

Service Test

- WFB's retail delivery systems, including branches and ATMs, are readily accessible to a majority of the bank's AAs.
- WFB's opening and closing of branches generally has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- WFB is a leader in providing community development services in the majority of its full-scope AAs in the primary rating areas and many of its full-scope AAs in the non-primary rating areas.

Yearly CRA contributions

Broward County, FL

2013 Year-end

Home Mortgage^{1,2}

In Broward County, FL, Wells Fargo provided 8,542 mortgage loans (total HMDA), extending \$1.9 billion in credit.

Of that, 1,452 mortgage loans were in LMI communities, providing \$229.3 million in credit and 1,449 loans were made to LMI borrowers, providing \$163.3 million in credit.

Small Business²

In Broward County, FL, Wells Fargo provided 4,551 small business loans, extending \$170.1 million in credit.

Of that, 1,309 small business loans were in LMI communities, providing \$57.9 million in credit.

Small Farm²

In Broward County, FL, Wells Fargo provided 17 small farm loans, extending \$329,000 in credit.

Community Development^{3,4}

In Broward County, FL, Wells Fargo provided 9 community development loans, totaling \$46.1 million.

In Broward County, FL, Wells Fargo provided 29 community development investments, totaling \$37.4 million.

2012 Year-end

Home Mortgage^{1,2}

In Broward County, FL, Wells Fargo provided 10,577 mortgage loans (total HMDA), extending \$2.3 billion in credit.

Of that, 1,634 mortgage loans were in LMI communities, providing \$288.5 million in credit and 914 loans were made to LMI borrowers, providing \$222.4 million in credit.

Small Business₂

In Broward County, FL, Wells Fargo provided 3,203 small business loans, extending \$156.4 million in credit.

Of that, 929 small business loans were in LMI communities, providing \$55.2 million in credit.

Small Farm₂

In Broward County, FL, Wells Fargo provided 9 small farm loans, extending \$279,534 in credit.

Of that, 1 small farm loan was in an LMI community, providing \$24,034 in credit.

Community Development_{3,4}

In Broward County, FL, Wells Fargo provided 3 community development loans, totaling \$7.4 million.

In Broward County, FL, Wells Fargo provided 22 community development investments, totaling \$13.6 million.

Wells Fargo – 2011 Year-end**Home Mortgage_{1,2}**

In Broward County, FL, Wells Fargo provided 7,381 mortgage loans (total HMDA), extending \$1.4 billion in credit.

Of that, 967 mortgage loans were in LMI communities, providing \$115.9 million in credit and 1,781 loans were made to LMI borrowers, providing \$155.3 million in credit.

Small Business₂

In Broward County, FL, Wells Fargo provided 4,467 small business loan, extending \$160.2 million in credit.

Of that, 1,031 small business loans were in LMI communities, providing \$45.5 million in credit.

Small Farm₂

In Broward County, FL, Wells Fargo provided 11 small farm loans, extending \$756,000 in credit.

Of that, 1 small farm loan was in an LMI community, providing \$12,500 in credit.



Community Development^{3,4}

In Broward County, FL, Wells Fargo provided 22 community development investments, totaling \$678,250.

¹Mortgage includes home purchase, home improvement, home refinance, and multi-family originated and purchased loans.

²Totals include census tract income level classified loans only.

³Some Investments and grants cannot be tracked to the county/city level.

⁴Investments includes grants and are subject to change as updates are received.

Leading the Way Home program

Customer education and outreach

***My Home Roadmap*SM program:** Provides free pre-purchase counseling with a certified national credit counselor for customers who have either been turned down for credit or elected not to apply at this time

***Smarter Credit*TM program:** Helps assess customers' credit needs, choose the right solutions, and protect their credit

***Hands on Banking*[®] program:** Covers important money management basics through a comprehensive online resource tailored for all ages and entrepreneurs

***My FirstHome*SM education program:**
An interactive guide for first-time homebuyers designed to help them learn about becoming a homeowner (Wells Fargo also offers first-time homebuyer workshops in partnership with local nonprofits)

Through in-house programs and affiliations with nonprofit counselors, we help many customers with financial education and credit management.

Customer outreach

Wells Fargo tries to contact customers through our own and national sources:

- Home Preservation Centers and events
- Single Point of Contact (SPOC)
- Customer calling/direct mail campaigns
- Hotline and Internet availability
- Dedicated Community Outreach team and nonprofit partners

When payment challenges arise, customers should always contact their servicer first, using the phone number on their mortgage statement.

Wells Fargo-Sponsored Home preservation centers

State	Cities
Arizona	Phoenix ¹ , Tempe ¹
California	Antioch, Bakersfield, Campbell, Clovis, La Puente, Lathrop, Novato, Oakland ² , Oceanside, Pleasanton, Riverside, Sacramento ² , San Fernando, Santa Ana
Florida	Boca Raton ² , Jacksonville ¹ , Lake Mary ¹ , Miramar, Pensacola
Georgia	East Point, Suwanee
Nevada	Las Vegas
Ohio	North Olmsted

Home preservation workshops (HPWs)

	Event	Dates	Customers invited	Customers attending
1-3	2009 HPWs	9/2009-12/2009	36,648	4,620
4-16	2010 HPWs	1/2010-12/2010	137,486	10,909
17-49	2011 HPWs	1/2011-12/2011	322,631	13,164
50-82	2012 HPWs	1/2012-12/2012	423,832	11,106
83-107	2013 HPWs	1/2013-12/2013	281,735	4,740
108	Anaheim, CA	2/11/2014	17,154	240
109	Oakland, CA	3/12/2014	11,233	157

110	Riverside, CA	4/16/2014	10,272	111
111	Rosemont, IL	5/21/2014	8,686	89
112	Brooklyn, NY	6/3/2014	35,712	273
113	Washington, DC	7/29/2014	TBD	TBD
114	Tampa, FL	8/5/2014	TBD	TBD
115	Atlanta, GA	9/9/2014	TBD	TBD
Total		09/2009-06/2014	1,285,389	45.409

Note: Upcoming HPWs are announced on a rolling four-month cycle.

Exceeding customer expectations

- “Exceeded expectations! The event staff was friendly and helpful, and I got the help I needed. Thanks a million!” (Atlanta – September 2012)
- “So happy! We are keeping our home thanks to all of you!” (Orlando – November 2012)
- “Everyone was so nice, and it was very well organized. Our mortgage consultant was the best. He made us feel comfortable, and he knows what he is doing.” (Las Vegas – January 2013)
- “I was so impressed with Wells Fargo after the meeting. Wells Fargo took the time to listen to my situation and treated me like a valued customer.” (Sacramento – February 2013)
- “I had an awesome experience with this event. It truly helped me with my problem, and I hope it will be resolved soon.” (San Diego – March 2013)

At our Home Preservation Workshops, 98% of our customers surveyed said they were satisfied with the overall event.

Single point of contact (SPOC) model

- Improves customer communications and the customer experience.
- Establishes an assigned team

We proactively adopted in 2010 an enhanced Single Point of Contact model for customers who are pursuing mortgage payment assistance to avoid foreclosure.

member to serve as the point of contact for the customer.

- Eliminates the need for the customer to re-tell his or her story.
- Ensures clear communication is provided to keep the customer informed of his or her loss mitigation application.
- Provides an advocate to ensure that any internal obstacles are removed to further the customer's application.
- Works with the customer on foreclosure alternatives if a modification is not approved.

Disaster readiness

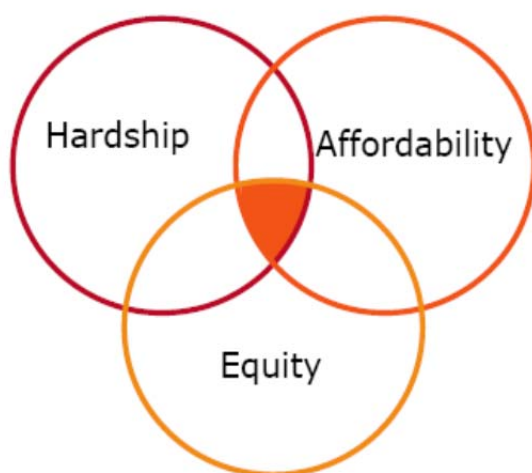
- Dedicated team
- *Disaster Playbook*
- Potential impact tracking
- System updates
- Moratorium
- Websites
- Branch support

Wells Fargo's comprehensive Disaster Readiness team has evolved through the years to become an industry best and a critical part in assisting our customers affected by a natural disaster.

Home preservation

Finding appropriate sustainable options

As we identify options for our customers, we need to ensure they are sustainable over the long-term.



Making Home Affordable is just one of the modification options available.

Priority of actions to achieve objectives

1. HAMP
2. In-house modification program
3. Unique case-by-case modifications
4. Home sale assistance
5. Quality review for all cases before foreclosure sale

Not all customers, even if their loan is modified, will be able to continue making payments on time.

The key factors that drive re-default are:

- Debt-to-income ratios (DTI above 38%/TDTI above 55%)
- Post-modification monthly surplus below \$300
- Post-modification payment increases
- Stretched affordability coupled with no equity

Refinancing and loan modifications

Since January 2009, Wells Fargo has helped **5.7 million homeowners** with new low-rate loans to refinance an existing mortgage.

We refinanced more than **1.56 million loans** through the Home Affordable Refinance Program (HARP), including more than **638,661 borrowers** with LTVs greater than 80% since HARP launched in April 2009.

Since January 2009, we've been involved in **961,697 active trial and completed modifications** – 85% through Wells Fargo, 15% through the Home Affordable Modification Program (HAMP).

Wells Fargo is a leader in offering refinancing options and modifications on existing loans. We are the number-one refinancing lender, with 16.1% of the market share.*

*Inside mortgage finance, July 25, 2014-ranking reflects data YTD 2014

Foreclosure prevention

- When customers choose to work with us, we help **7 of 10** avoid foreclosure.¹
- For those who choose to manage the challenges on their own, only **1 of every 3** avoid foreclosure.¹
- Wells Fargo's total delinquency and foreclosure ratio for first quarter 2014 was **5.56%**,² down from a peak of **8.96%** in fourth quarter 2009.
- Over the last 12 months, less than **1.0%** of the owner-occupied properties in our servicing portfolio have actually proceeded to foreclosure sale.

Wells Fargo has been a leader in preventing foreclosures, where possible. We view foreclosure as a measure of last resort, and have put controls in place to ensure reviews are conducted on every loan.

1. Data from January 2009-February 2014

2. Source: Inside Mortgage Finance, May 23, 2014, and MBA National Delinquency Survey 1Q14, May 15, 2014

Residential mortgage production trends

Production activity (amounts in billions)	2Q14	1Q14	4Q13	3Q13	2Q13
Applications	\$72	\$60	\$65	\$87	\$146
Pipeline	\$30	\$27	\$25	\$35	\$63
Originations (refinance %/ purchase %)	\$47 (26%/74%)	\$36 (34%/66%)	\$50 (32%/68%)	\$80 (41%/59%)	\$112 (56%/44%)
Gain on sale*	1.41%	1.61%	1.77%	1.42%	2.21%

*Net gains on mortgage loan origination or sales activities less repurchase reserve build divided by total originations.

Neighborhood stabilization

U.S. Conference of Mayor's alliance (USCM)

Our three-year national alliance with USCM began in June 2011 and is focused on:

- Foreclosure prevention
- Property disposition
- Homeownership promotion
- Community development

The U.S. Conference of Mayors (USCM) is the official nonpartisan organization of U.S. mayors, including mayors of 1,399 cities with populations greater than 30,000.

Ways we work with USCM:

- Build and grow local relationships
- Educate on market activities related to housing and Wells Fargo's response through the Leading the Way Home program
- Assist in approaches to addressing housing challenges (in market) through planned Leading the Way Home forums and conference activities

We use Leading the Way Home messaging to educate the USCM leadership and their members on Wells Fargo programs and assist in delivering a series of activities to help broaden the knowledge of the available services we offer.

Military Donation program

Overview

- Pending military donations YTD as of June 2014: **66** – valued at **\$10,275,697**
- Closed military donations YTD as of June 2014: **60** – valued at **\$8,948,999**
- Closed military donations since inception: **146** – valued at **\$22,678,208**

Approved military nonprofits

- Military Warriors Support Foundation
- Operation Homefront

LIFT program

Strategy: Pivot toward the future with a focus on enabling and advancing homeownership.

Home Preservation and foreclosure prevention programs are still important and necessary in the foreseeable future.

The Wells Fargo *LIFT* programs are a series of distinct and complementary programs done in collaboration with city leadership and nonprofit organizations in selected cities most affected by the housing crisis.

Recovery and neighborhood stabilization are dependent on housing inventory moving.

The Neighborhood LIFT program

Launched in early 2012, this program is a first-of-its-kind offering that provides down payment assistance, education, and access to potential homebuyers to purchase properties inside the selected city limits. It is a collaborative program of:

- Wells Fargo Bank, N.A.
- Wells Fargo Foundation
- NeighborWorks America, an independent nonprofit organization

This program is within cities to date:

Los Angeles, Atlanta, Phoenix, Las Vegas, Houston, Miami, Tampa, Orlando, Jacksonville, Minneapolis-St Paul, Sacramento, Charlotte, Portland, New Orleans, Dallas, Denver, Milwaukee and Kansas City

Upcoming city:

- Tucson

The City LIFT program

This program is designed to provide down payment assistance and homebuyer education programs in areas most impacted by the financial crisis. The program was developed in response to the 2012 settlement with the Civil Rights Division of the U.S. Department of Justice, and is a collaboration between:

- Wells Fargo Bank, N.A.
- NeighborWorks America, an independent nonprofit organization

This program is within cities to date:

Philadelphia; Washington, DC/Prince George Counties; Chicago area; Oakland, CA, area; Baltimore; the Bronx/Brooklyn, NY and Jersey



City/Newark, NJ; Riverside-San Bernardino-Ontario, CA (Inland Empire);
and Cleveland-Elyria-Mentor, OH

Additionally, Memphis held a neighborhood stabilization event and benefits
from the Memphis-Shelby County **Helping Homebuyers** Program.

Elements of the LIFT Program

Down payment assistance program (DAP)

(Dollars available)

City	Nonprofit partner (providing program administration and homebuyer education)	Total DAP grants available	DAP dollars available ¹
NeighborhoodLIFT			
Los Angeles	Neighborhood Housing Services (NHS) of Los Angeles	\$12,860,000	\$0
Atlanta	Resources for Residents and Communities	\$6,400,000	\$0
Phoenix	Phoenix Neighborhood Housing Services, Inc.	\$6,400,000	\$0
Las Vegas	NHS of Southern Nevada	\$7,200,000	\$0
Houston	Avenue Community Development Corp.	\$7,200,000	\$0
Miami	NHS of South Florida	\$7,200,000	\$0
Tampa	Tampa Bay Community Development Corp.	\$5,600,000	\$0
Orlando	InCharge Debt Solutions	\$5,600,000	\$0
Jacksonville	Family Foundations	\$5,600,000	\$0
Minneapolis/ St. Paul	NHS of Minneapolis	\$7,200,000	\$0
Sacramento	NeighborWorks Homeownership Center, Sacramento Region	\$5,600,000	\$0
Charlotte	The Charlotte-Mecklenburg Housing Partnership	\$5,500,000	\$0
Portland	Portland Housing Center	\$4,000,000	\$0
New Orleans	Hope Enterprise Corporation	\$4,000,000	\$0
Dallas	BCL of Texas	\$5,000,000	\$1,695,000
Denver	Community Housing Resource Development	\$4,500,000	\$720,000

Down payment assistance grants are available for \$15,000 for owner-occupied purchase-only transactions. *(Some geographies may have higher individual grants, such as LA for \$30,000.)*

- Homebuyers must meet the following program requirements:
- Preapproval by a lender for mortgage financing
- Mandatory attendance: HUD-certified third-party education
- Required length of stay (five years) in property to avoid flipping
- Property must be occupied by the homeowner in the designated area

Wells Fargo real-estate owned (REO) properties are not eligible for this program.

	Corporation		
Milwaukee	Select Milwaukee	\$4,500,000	\$0
Kansas City	Neighborhood Housing Services of Kansas City, MO	\$5,500,000	\$640,000
CityLIFT			
Philadelphia	New Kensington CDC	\$7,040,000	\$0
Washington, D.C.	Manna Inc.	\$7,000,000	\$0
Chicago	NHS of Chicago	\$8,200,000	\$0
Oakland	The Unity Council Homeownership Center	\$5,000,000	\$0
Baltimore	NHS of Baltimore	\$4,500,000	\$0
New York/New Jersey	NHS of New York and La Casa de Don Pedro (New Jersey)	\$9,500,000	\$0
Inland Empire	NHS of the Inland Empire	\$4,800,000	\$0
Cleveland	The Housing Partnership	\$3,700,000	\$0
TOTAL		\$159,600,000	\$3,055,000

Wells Fargo partners with local communities to identify projects and programs that would most benefit from these grants, improving neighborhood longevity and sustainability.

Eligible nonprofits applied for a grant as part of a new *UrbanLIFT*[®] community grant program to help accelerate economic recovery and neighborhood improvement projects in eligible cities.

Homebuyer and financial education events

- Free homebuying education seminars
- Down payment assistance education
- Preapproval capabilities on site
- **Affordable Home Tour**
- Outreach to potential homebuyers through advertising, grassroots outreach, Bank stores, etc. (also target efforts to first responders, educators, teachers, etc.)
- Online resources and registration and integrating community information on registration site

Local initiatives

NeighborhoodLIFT program only: Funds for local priority initiatives with focus on neighborhood stabilization efforts in each city

Local initiatives grants

Types of programs funded:

- Homelessness, transitional housing
- Food and nutrition, preventive healthcare
- Early childhood development
- Jobs training, counseling, and creation; economic development
- Financial literacy and counseling
- Neighborhood beautification
- REO rehabilitation

Note: Local initiatives grants are only available through the NeighborhoodLIFT program.

The UrbanLIFT community grant program

- **UrbanLIFT** is funded by Wells Fargo and administered by Neighbor Works America.
- **\$11.4 million** in funding was distributed to **25 cities** through a grant process.
- It is designed to provide support to local nonprofits for single family rehabilitation, demolition and large neighborhood improvement projects in cities that have substantial diverse populations and have been affected by foreclosures.
- The eligible cities were determined as part of an agreement with the U.S. Department of Housing and Urban Development (HUD).
- Grant award announcements were made in December 2013 – **60 nonprofit award recipients** were identified across the 25 cities.

Wells Fargo Home Mortgage Commitment

“We want to satisfy all our customers’ financial needs and help them succeed financially.” *Wells Fargo & Co. vision*

We bring our vision to life by:

- Putting customers first
- Living our vision and values

Connecting with communities and stakeholders

About Wells Fargo Home Mortgage

Wells Fargo is the nation’s leading originator and servicer of residential mortgages:

- Funding 1 of every 5 mortgage loans in the U.S. (2013)¹
- Servicing 1 of every 5 mortgage loans in the U.S. (4Q 2013)²
- Providing home loans to consumers through the country’s largest mortgage network – more than 2,305 mortgage locations, the Internet, and via phone
- Servicing loans for 11.4 million customers³ who either originated their loans with us or another home lender



“Regardless of our growing size, scope and reach, our common vision and distinct values form the fabric that holds us together wherever we are, whatever we do.”

1. Inside Mortgage Finance, January 31, 2014; 2. Inside Mortgage Finance, February 7, 2014; 3. WFC 1Q14 Earnings Release

Commitment to fair and responsible lending

Three core principles serve as a practical guide for our practices and our teams. These principles for both residential loans and lines of credit are simple, straightforward, and consumer-focused, and serve as the compass which guides us every day:

- The customer must have the ability to repay the loan according to its terms and conditions and the customer’s financial circumstances.

We consistently follow business practices we believe serve the interests of our customers for the long term.

- The loan transaction must deliver benefit to the customer.
- We must do what we can to support the customer's goal of making informed choices.

Customer education and outreach

The My FirstHomeSM

Education program is a unique, interactive online guide designed to help first-time and ready-again homebuyers prepare to purchase a home and become responsible homeowners. It's great for users who want to learn about finding, financing, and owning a home.

My Home RoadmapSM coaching

The program offers a referral for up to two hours (or \$250) of free pre-purchase counseling with a certified national credit counselor (paid for by Wells Fargo) who provides customers with options and support on the path to homeownership.


Online product comparison tool

This state-of-the-art tool allows customers to make informed decisions about loan options by doing a side-by-side comparison of payment, terms, and other features of various loan choices

Get Financing that Meets Your Needs

Feedback

Print this page



Use this interactive tool to:

- Find loan options that are based on your needs, by answering a few questions
- Review, compare, and modify loan scenarios
- Start the application process – online, over the phone, or in person locally

About Your Financing Goals

*My goal

Select One

*I'd like to...

Select One

* indicates required field

Wells Fargo Customer Information

*Do you have a Wells Fargo mortgage or home equity account linked to the property?

☒ No, I don't
 ☐ Yes, and I have my loan information
 ☐ Yes, but I don't have my loan information

Financing Information

*Estimated Value of Home

\$

*Total Existing Mortgage Balances

\$

*Total Current Monthly Payment

\$

*Current Interest Rate

%

Annual Real Estate Taxes

\$

or

%

Annual Homeowners Insurance

\$

☐ Show me military (VA) financing options

About the Property

*Property Location

Select State

Select County

Products and programs to meet consumers' needs

Product/ program	Key features
Federal Housing Administration (FHA)	<ul style="list-style-type: none"> ▪ 3.5% minimum down payment ▪ Down payment and closing costs may come from a qualified gift source or FHA/Wells Fargo Home Mortgage (WFHM) down payment assistance program (DAP) ▪ Non-traditional credit sources allowed ▪ Non-occupant co-borrower ▪ Seller contributions up to 6% ▪ Upfront mortgage insurance may be entirely financed ▪ All FHA loans are fully assumable to qualified borrowers
Veterans Administration (VA)	<ul style="list-style-type: none"> ▪ No or low down payment options ▪ Seller financing concessions are allowed up to 4% of the appraised value ▪ No mortgage insurance is required (VA does charge a funding fee based on the branch of service and/or previous use of VA home loan benefits) ▪ Loans are fully assumable ▪ Non-traditional or limited credit histories are allowed

Purchase & RenovateSM program	<ul style="list-style-type: none"> ▪ Loan amount based on the appraised after-improved value of the home ▪ Down payments as low as 3.5% ▪ Improvements can range from basic repairs and upgrades to more extensive renovations ▪ Renovation costs are spread through the mortgage term ▪ Fixed-rate and adjustable-rate loan terms available ▪ Renovation begins right after loan closing ▪ Loan will cover the home's purchase price, plus all the costs of needed and desired repairs, upgrades, additions or renovations ▪ Fulfills two needs with just one application, one loan approval, one closing, and one monthly mortgage payment
Conventional/ conforming	<ul style="list-style-type: none"> ▪ Down payments as low as 5% ▪ Gift funds allowed for down payment, closing costs, or pre-pays ▪ A gift or grant from a municipality, nonprofit religious organization, nonprofit community organization or the borrower's employer is allowed ▪ Seller contributions up to 9%
Home OpportunitiesSM program	<ul style="list-style-type: none"> ▪ 3% minimum down payment ▪ Minimal down payment based on credit score ▪ Allows non-occupant co-borrowers on 1-2 units with certain requirements ▪ Reduced mortgage insurance coverage ▪ DAPs allowed

<p>Community Development Mortgage Program (CDMP) –offered in certain states</p>	<ul style="list-style-type: none"> ▪ No income limits; purchase home must be in low or moderate census tract; maximum loan amount is \$417,000 ▪ Homebuyer education programs ▪ Low down payments – loan-to-value ratio (LTV) up to 98% ▪ No mortgage insurance required ▪ 30-year fixed-rate terms ▪ Owner-occupied purchase properties ▪ Debt-to-income (DTI) of 38% or maximum DTI of 42% with a 720 credit score and six months principal, interest, taxes, and insurance (PITI) in reserves ▪ Flexibility on the source of closing costs (such as gifts) and approved DAPs ▪ No cash reserve requirements for the standard CDMP
<p>Mortgage Revenue Bonds, Mortgage Credit Certificates (MCCs), and DAPs</p>	<ul style="list-style-type: none"> ▪ Offered by various state, county, city, and governmental coalitions, including nonprofit organizations ▪ Lower interest rates and/or down payment and closing costs assistance
<p>Easy-to-OwnSM Good Neighbor Next Door Financing</p>	<ul style="list-style-type: none"> ▪ Eligible borrowers purchase Department of Housing and Urban Development (HUD)-acquired homes located in HUD-designated revitalization areas: ▪ At a 50% discount from the list price, HUD places a 50%, zero-interest, forgivable, second mortgage on the property ▪ With a down payment of \$100 (applies only if FHA financing is used) ▪ Non-traditional credit sources allowed

<p>Easy-to-Own Guaranteed Rural Housing Program</p>	<ul style="list-style-type: none"> ▪ 100% financing ▪ Guarantee fee may be financed ▪ No mortgage insurance ▪ Income limitations for participation in the program ▪ Closing costs and pre-pays can be financed if supported by appraised value ▪ Assumable with Rural Development prior approval ▪ Rural properties are eligible
<p>Easy-to-Own Native American Home Loan Program</p>	<ul style="list-style-type: none"> ▪ Low down payment and closing cost options ▪ Qualifying ratios are higher than for most conventional mortgage products ▪ No monthly or one-time premiums are required ▪ Allows for self-employed borrowers
<p>FHA Section 8 Assistance</p>	<ul style="list-style-type: none"> ▪ Monthly subsidy provided by the FHA on behalf of a qualified family to assist them in obtaining homeownership ▪ Homeownership counseling ▪ Minimum down payment 3.5% of the purchase price of the property. ▪ At least 1% of these funds must be the borrowers' own funds ▪ Grant/gifts are not allowed as part of the 1% ▪ Subordinate financing including MCCs and approved FHA DAPs allowed ▪ Non-traditional credit sources allowed

Sampling of Activities

Broward County/South Florida to help more families achieve the dream of Homeownership 2014

- October 2013-Community Outreach Event for Non profit agencies located in South Florida to educate on WFHM products and Services
- October 2013-Community Development Mortgage Program introduced to market
- March 12th -Realtor Meeting in conjunction with REACH to focus on WFHM Affordable Product Suite to help educate Realtors who focus on Low and Moderate Income Homebuyers
- April 2014-Approval of Delray Community Land Trust to help additional homebuyers
- June 28th -NAACP Homebuyer Forum-85 participants-Fort Lauderdale
- June 28th -Homebuyer Workshop-Miami
- Partner with Minority Trade Organizations NAHREP and NAREB in South Florida to identify potential homebuyers
- Partnering with NAREB Women Council on 9 homebuyer education classes for first time homebuyers in Florida

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EXHIBIT 4

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