

Leading the Way Home[®]

Updated: February 2009



About Wells Fargo Real Estate Lending

Wells Fargo has completed its merger with Wachovia, creating full coast-to-coast diversified financial services and the most extensive banking and mortgage network for our customers.

- The integration of the mortgage companies has begun, and will be fully completed in 2009.
- Together, Wells Fargo and Wachovia mortgage will offer the nation's best in real estate lending sales.
 - More than 11,000 stores including 3,000 mortgage stores and 6,600 bank stores.
 - National access to call centers and online channels.
 - Affiliations with brokers who align with our responsible lending principles.
- Our combined servicing team will manage 1 in every 7 mortgage loans in the United States.

Our goal is to *Inspire. Educate. Enable.*SM borrowers to achieve and sustain homeownership.

Leading the Way Home[®]

Our *Leading the Way Home* program focuses on:

- Using **responsible lending** and **servicing** practices, and nationally advocating them for all mortgage lenders.
- **Educating borrowers** about credit management, their mortgage products and the ongoing responsibilities of homeownership.
- Working with customers on **home retention solutions** when they can't make their mortgage payments to avoid preventable foreclosures.
- When home retention is not possible, **managing REO properties** (foreclosed homes, also known as Real Estate Owned) for sale, and working with municipalities to **accelerate the sale of REO properties** to stabilize communities.



Leading the Way Home[®] Through Responsible Lending & Servicing

**93 of every 100 Wells Fargo mortgage customers
are current on their mortgage payments.**

Highlights of our long-standing principles:

- Facilitating informed customers.
- Approving applications for loans only if we believe the borrower has the ability to repay the loan according to its terms.
- Offer prime pricing options to first mortgage loan consumers whose loans qualify for such pricing.
- Approach every interaction from the customer's point of view.
- Provide clear and timely information to consumers, understanding how complex homeownership and financing can be.
- Provide tools, services and information that help our customers manage their credit.
- Do all we can to help keep people in their homes whenever possible.

Leading the Way Home[®] Through Customer Education

Through in-house programs and affiliations with outside counselors, we help many customers with financial literacy and managing their credit.

- Provide the **Mortgage Product Guide** that explains in plain language how each feature of a mortgage product works – including the benefits AND drawbacks.
- Offer **Steps to SuccessSM** program to help customers improve their credit scores; recently expanded its use to include Wells Fargo Home Mortgage FHA and VA customers, first-time homebuyers and Wells Fargo Financial refinance customers.
- Offer the **Hands On Banking[®]** online program for money management basics. This information is also available in Spanish.
- Host and participate in **regional workshops** around the country focused on achieving and sustaining homeownership.
- For borrowers struggling with mortgage payments, participate in hundreds of **workshops and events** focused on helping them find solutions.

Leading the Way Home[®] Through Home Retention

**We reach 94% of our customers 2 or more payments past due.
7 of 10 work with us on a solution, and 2 decline our help.
When these customers work with us, we help 5 of every 10 to avert foreclosure.**

Our contact efforts through both Wells Fargo and national sources:

- Calling campaigns
- Mailings
- Home retention hotlines
- Internet messaging, podcasts
- Home retention workshops

Our home retention efforts:

- Work early and often with customers on options to help make their mortgage payments sustainable.
- Use case-by-case and streamlined methods that take into account customers' circumstances.
- Align our loss mitigation efforts with investor guidelines and servicing policies.

Leading the Way Home[®] **National Home Retention Efforts**

Working with the U.S. Treasury, the Department of Housing and Urban Development and others, we have led the development of programs that delivered nearly 3.2 million solutions to customers industry-wide to avert foreclosure. (July 2007 to Dec. 2008)

HOPE NOW ALLIANCE Integrates servicers, non-profit counselors and investors to foster an environment that promotes creative solutions to help consumers keep their homes; aggregates and reports results for servicers involved in effort.

PROJECT LIFELINE Targets outreach to customers 90+ days late. Offers up to a 30-day pause on foreclosure while other solutions are explored.

HOPE FOR HOMEOWNERS A provision of the Housing and Economic Recovery Act of 2008, it is a refinance program for distressed borrowers. If eligible – and if lender agrees – borrower may qualify for a partial write-down of their mortgage debt and a new 30-year fixed-rate loan for up to 90% of current appraised value. We offer the program to existing customers serviced by Wells Fargo Home Mortgage.

STREAMLINED MODIFICATION PROGRAM A fast-paced approach to modify mortgage payments by exploring a combination of measures.

TECHNOLOGY IMPROVEMENTS Software that facilitates servicer and non-profit counselor discussions about distressed customer solutions and enables them to track where the customer is in the solution process.

Leading the Way Home[®]

Home Retention Solutions

WELLS
FARGO

Preventing foreclosures is in the best interest of our customers, communities and company. Wells Fargo has delivered 706,000 solutions to our customers to avert foreclosure. (July 2007 to December 2008)

- Refinance** New loan on the property with no change in ownership to pay off the existing loan.
- Repayment Plan** Distribute delinquent payments over a period of time, usually no more than 12 months. Monthly amount added to usual mortgage payment.
- Modification** Changes one or more terms of the mortgage including term extensions, rate adjustments and/or principal forgiveness, where allowed.
- Fast-Track Modification offers a rate freeze of 5-years on subprime ARM loans originated between 1/1/05 and 7/31/07 for qualifying customers.
- Partial Claim** HUD advances a loan to repay the past-due interest and escrow amounts.
- Short Sale** Enables customer to sell home and use proceeds to pay mortgage – even if total proceeds are less than amount owed on the mortgage.
- Deed In Lieu** Allows customer to transfer property to Wells Fargo, as a servicer, if customer cannot sell home at market value.
- Forbearance** Partial or full suspension of monthly payment for a period of time. Because of long-term implications, used in severe hardship cases.

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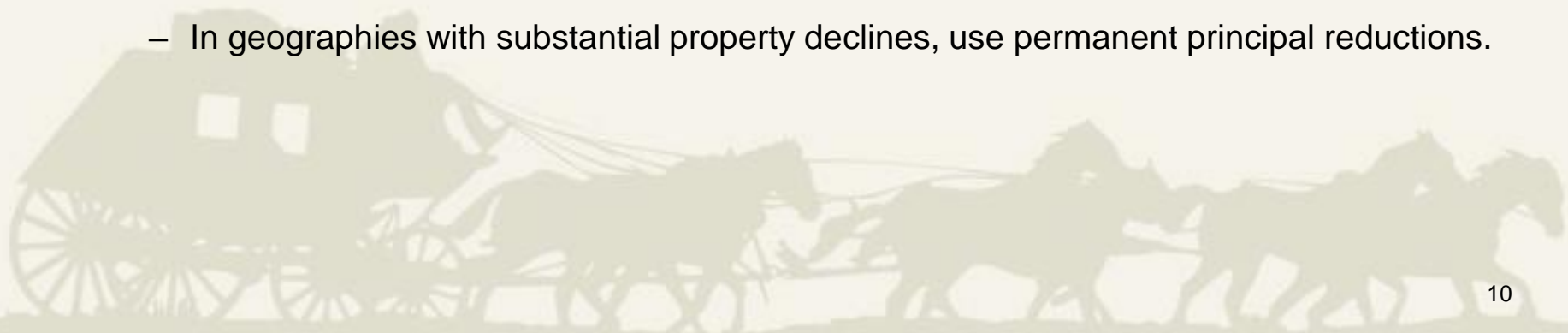
Home Retention Assistance Options

- **Consumers struggling with their mortgage payments can get free help by contacting:**
 - Their servicer directly using the phone number on their mortgage statement.
 - HOPE NOW via 888-995-HOPE.
 - A qualified loss mitigation firm (to obtain a reference from a HUD-approved housing counselor call 800-569-4287 or for the hearing impaired 800-877-8339).
- **Due to the availability of resources through the HOPE NOW Alliance and other not-for-profit counseling agencies, borrowers are encouraged to avoid paying a third-party company to assist with a workout with their servicer.**
 - Loss mitigation firms help consumers “avoid foreclosure.”
 - A loss mitigation firm typically provides a free consultation to assess your situation, and then asks for a deposit before working on your case.
 - Their fees are usually combined with the workout agreement with the mortgage companies.

Leading the Way Home[®] **For Wachovia Customers**

We have begun to use current streamlined approaches and new customized options to avoid preventable foreclosures for Wachovia mortgage customers.

- **478,000 customers – including those with Wachovia Pick-a-Payment loans will have access to the program**
 - Not all of these customers will become delinquent on their loans; given economic conditions, it is not possible to predict the exact number who will use it.
- **For those at-risk, we will offer combinations of:**
 - Term extensions up to 40 years.
 - Interest rate reductions.
 - Charge no interest on a portion of the principle for some period of time.
 - In geographies with substantial property declines, use permanent principal reductions.



Leading the Way Home[®] **By Helping to Stabilize Communities**

- **We can help city officials and not-for-profit housing agencies gain access to \$3.9 billion in federal housing dollars available through the Housing and Economic Recovery Act.**
 - Wells Fargo also is providing \$2 million in grants.
- **In 30+ communities across the nation that have been hardest hit by foreclosures, we are working to accelerate the sale of foreclosed properties.**
 - We help real estate agents, not-for-profit housing organizations and city officials understand how to sell vacant and foreclosed properties to new owners.
 - We help new and first-time homebuyers with financing.



Leading the Way Home[®] By Helping to Stabilize Communities

When we are unable to prevent foreclosures, we believe we can help to lessen the impact on the surrounding community by working to manage and accelerate the sale of the foreclosed home.

Premiere Asset Services (PAS) is our business that manages our REO properties.

- If we are unable to contact a borrower who defaults, we begin monthly inspections of the property.
- When we have confirmation the house is vacant, we secure the property, remove any exterior debris, and arrange for lawn care that will stay in place. We take the necessary measures to preserve and maintain the condition of the home until the property is sold.
- To inform us of code violations, contact codeviolations@wellsfargo.com.
- A dedicated toll-free number has been established for municipal leaders to help prioritize deterioration issues.

After foreclosure, PAS prepares the house for resale and works with local real estate agents to sell the home as soon as feasible.

Wells Fargo Home Mortgage services mortgages for other lenders and investors, and may manage foreclosed properties through PAS, working with local real estate agents to sell the property.

- The sale of the majority of REO properties are managed by Freddie Mac, Fannie Mae and HUD; these properties aren't liquidated by PAS or Wells Fargo Home Mortgage.

Leading the Way Home[®] **By Helping to Stabilize Communities**

Discounted REO properties are available to government entities or organizations that are tax-exempt under IRS Code 501(c)(3).

- Properties considered for discount are listed on the Premiere Asset Services (PAS) Web site: www.pasreo.com. Web site questions should be directed to: Pasreorequests@wellsfargo.com.
- The discount, which varies by investor, is most likely to be applied to properties that have been listed for several months with very little activity.
- Many properties are already listed at a discount and may not be discounted further.
- PAS has partnered with the National Community Stabilization Trust to facilitate a first look process on pre-listed properties. For more information, contact info@stabilizationtrust.com.
- Time to transfer a property may vary depending on the investor and other factors.
- Contact Wells Fargo Housing Foundation at (612) 667-5131.

Wells Fargo provides financial support to not-for-profit organizations when our team members volunteer to help rehab a home for low-to-moderate income homebuyers or homeowners.

- This program provides up to \$35,000 per property to the nonprofit organization.
- Non-profits can contact their local Wells Fargo store to find out about local projects, or call (612) 667-5131.

Other Contacts

For inquiries about discounted foreclosed properties:

Non-profits and Housing Agencies

Wells Fargo Housing Foundation

REODiscountedPropertiesProgram@wellsfargo.com

(612) 667-5131

Local Governments

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