

Wells Fargo Is Committed To...

Maintaining and Quickly Selling Foreclosed Properties After Attempting To Explore Retention Options With Customers

Wells Fargo's Commitment

- We want to satisfy all of our customers' financial needs, help them succeed financially, be the premier provider of financial services in every one of our markets, and be known as one of America's great companies.
- Working with government agencies and not-for-profit organizations, we develop solutions for customers who struggle to stay in their homes.
- We foreclose only as a last resort. After the foreclosure sale, we work to ensure the foreclosed property is appropriately maintained and sold as quickly as possible for the benefit of the community, our company and the investor in the loan.

We Work To Ensure REO Properties Are Reoccupied Quickly

Real Estate Owned (REO) properties can be acquired by a lender as the result of a foreclosure sale if a third party did not win the foreclosure bid. Wells Fargo works diligently to manage foreclosed properties in a manner that benefits the community until the home is sold to a new owner.

We recognize that it isn't good to let properties remain vacant for an extended period of time. Putting them back into the market is the right thing to do because it:

- strengthens economies,
- provides the ability to collect tax revenue, and
- rebuilds local communities.

Property Maintenance And Resale

Premiere Asset Services ensures Wells Fargo's REO properties are appropriately maintained until they are sold to new owners. We have a strong interest in selling REO properties quickly due to ongoing costs, including property taxes, utility charges, home maintenance and protecting the property from vandalism.

We work to ensure our REO properties are secure and maintained:

- If a property is delinquent and vacant, but has not yet gone to foreclosure sale, we will take responsibility for maintaining and securing the property.
- If we receive code violation notices on a property that we have not yet foreclosed upon, we will attempt to contact the customer to advise him/her that the violations need to be resolved.
- If we have a property that we are experiencing difficulty selling, we work with neighborhood communities, non-profit organizations, and other local groups to discount the sale or possibly donate the property.

If tenants are in the unfortunate position of renting a property while the property is in foreclosure, we make every effort to work with them and provide adequate notice to make other housing arrangements.

Premiere Asset Services prepares Wells Fargo's REO properties for resale and works with local real estate professionals to sell them. The Web site www.pasreo.com, features WFHM-managed properties ready for purchase, complete with property information, a photo of each individual home and contact information for the local real estate listing agent.

Ongoing Initiatives To Address REO Issues

We have numerous internal and external efforts underway to address REO issues. Recent actions include:

- Implementing an e-mail address for code enforcement officials to notify Wells Fargo of concerns. This e-mail address has been posted on the Mortgage Bankers Association Web site, and we have been actively providing it to city officials at conferences.
- We have a dedicated staff to handle violations, damaged properties and complaints concerning conditions of the properties we service.
- All violations are tracked and property conditions are reviewed each month to determine actions needed. Trends are identified and corrective measures are implemented to ensure compliance with city codes.
- We implemented a toll-free phone number for mayors and their staff to alert us of potential property issues.
- We have a general e-mail address: codeviolations@wellsfargo.com that anyone can use to inform us of property issues.
- Through the REO Acquisition/Rehabilitation Equity Equivalent Investment program (REO EQ2), we will provide low-cost, flexible loan capital to experienced non-profits and government agencies for purchase of bank-owned single-family homes for rehabilitation and resale to qualified low- and moderate-income borrowers via affordable mortgage products.

Wells Fargo also has been active at a local and national level to address REO issues:

- We continue to meet with various code enforcement officials at various national conferences.
- We actively participate in panel discussions with various city officials.
- We have participated in the Safeguard National Property Preservation conferences in Washington, D.C. for the last three years. These conferences have been attended by numerous servicers, field service vendors and city code enforcement officers.
- We are a member of the MBA Blight Committee, addressing blight issues and enhancing communication between cities and the mortgage industry.

Discount Information

In addition, Wells Fargo has an REO Discounted Properties Program through which government entities or housing intermediaries (that have a history of providing sustainable, attainable homeownership or rental opportunities) can help out low-to moderate-income consumers. This program facilitates the transfer of Wells Fargo discounted REO properties to qualified entities.

REO Discounted Properties Guidelines are located at the Wells Fargo Housing Foundation Web site at: https://www.wellsfargo.com/about/wfhf/about_wfhf.

Under the program requirements, the organization requesting the discounted property must be tax exempt under Internal Revenue Service Code 501(c)(3) or the organization must be a government entity.

Proposals are accepted throughout the year:

- Written acknowledgement will be sent within two weeks of receipt of your proposal.
- Allow 45 days for Wells Fargo review and response.
- Attach the proposal to the REO Proposal Information Checklist, located on the Wells Fargo Housing Foundation Web site, along with checklist documents and send in duplicate to:

Wells Fargo Housing Foundation
Wells Fargo Center
MAC N9305-192
90 S 7th Street, 19th Floor
Minneapolis, MN 55479

Contact Information

- For REO/Agent questions, call (866) 518-2164.
- For more information about how to apply for an REO EQ2, contact your local Wells Fargo Community Development Officer or Megan Teare with the Wells Fargo Community Development Corporation at (612) 316-0512.