

U.S. Bank Home Mortgage

***Challenges and Opportunities for Homeownership
in a Changing Financial Environment
May 6, 2009***

Ed Shanks
EVP – National Retail Lending



U.S. Bank Businesses

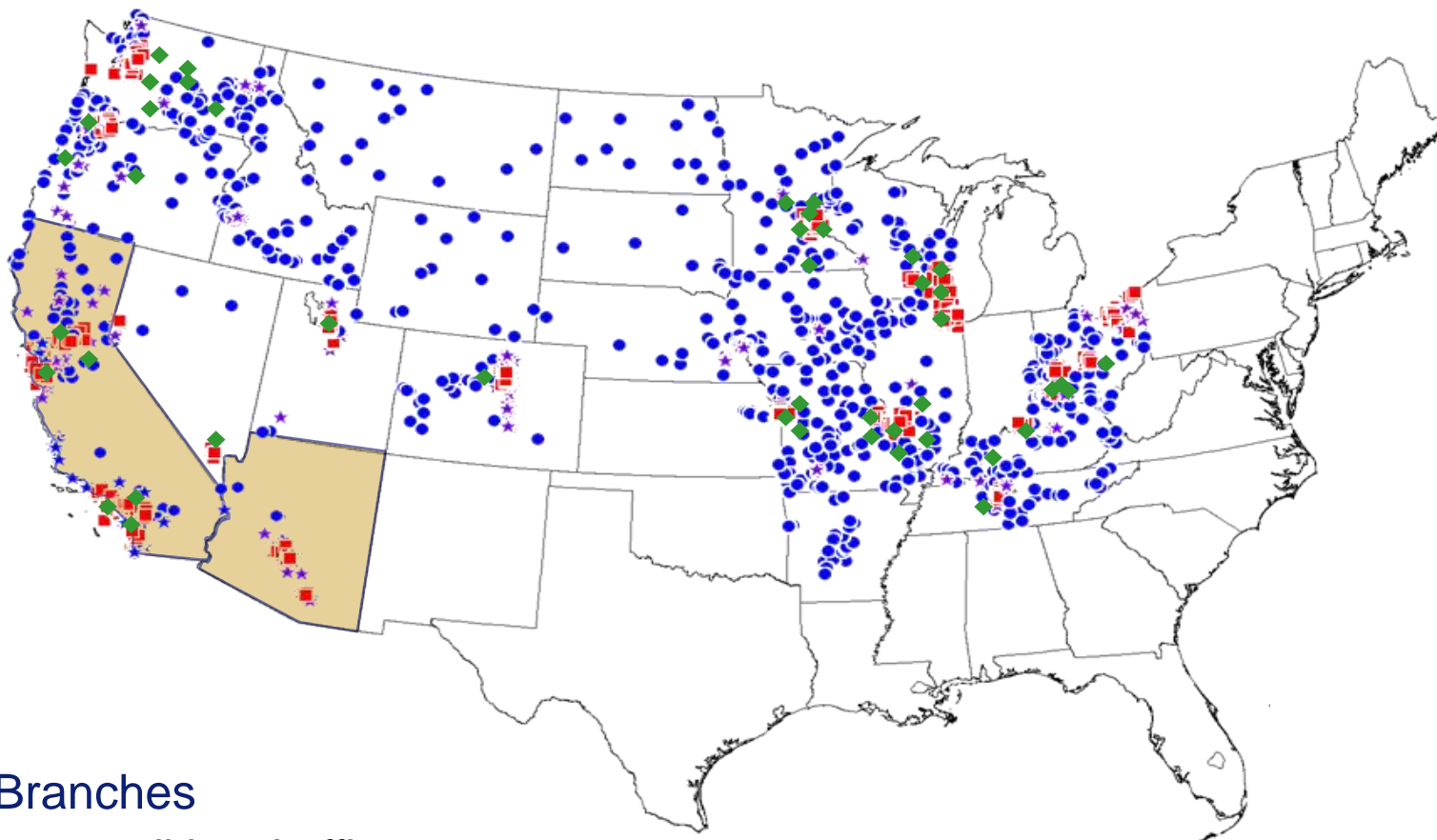
Q4 2008 Dimensions

▪ Asset Size	\$266 billion
▪ Deposits	\$159 billion
▪ Loans	\$185 billion
▪ Customers	15.8 million
▪ NYSE Traded	USB
▪ Market Capitalization*	\$43.9 billion
▪ Founded	1863
▪ Bank Branches	2,791
▪ ATMs	5,164

*Market Capitalization as of April 11, 2009



Branch Distribution



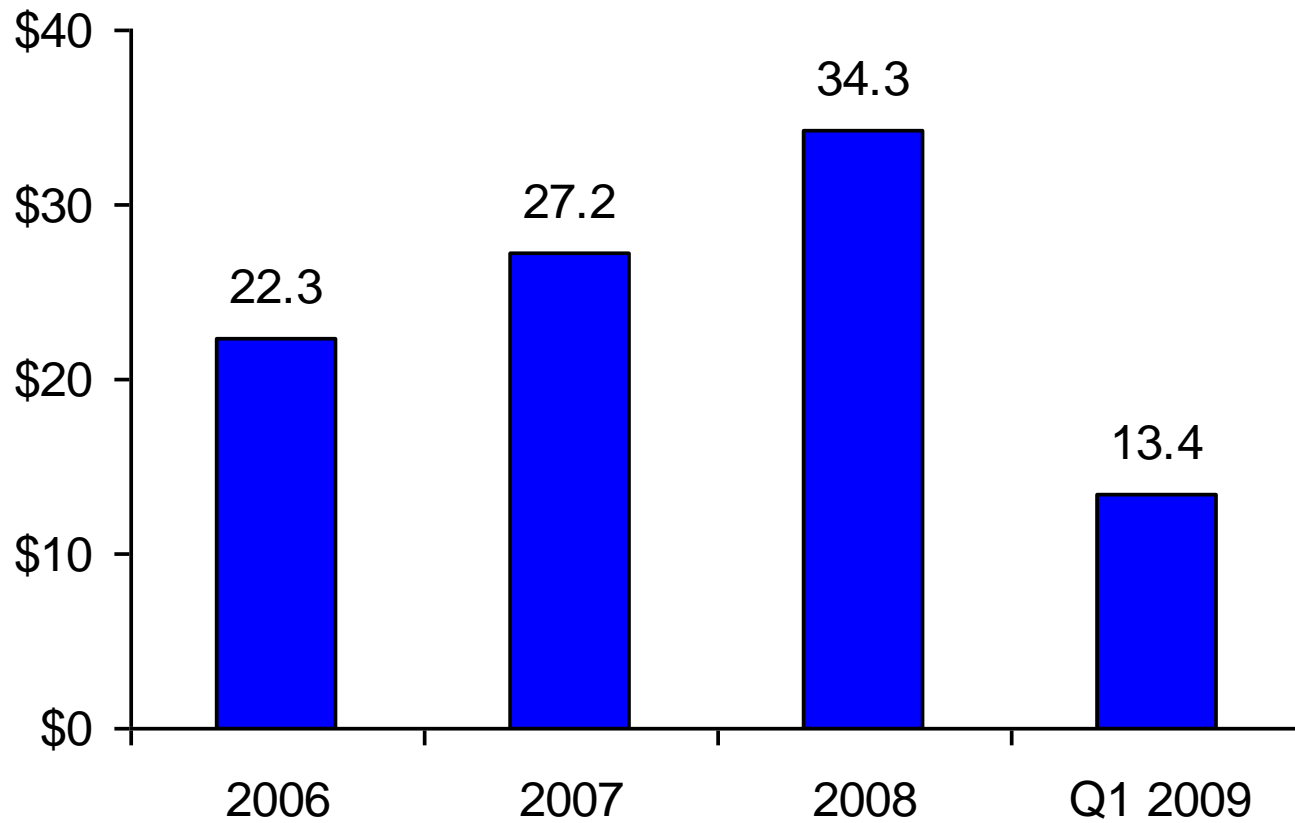
2008 Branches

- Metro traditional offices
- Community traditional offices
- ★ In-Store Offices
- ◆ On-Site Offices

2,791 U.S. Bank branch offices
5,164 U.S. Bank branded ATMs
15.8 million customers

U.S. Bank Home Mortgage Lending Volume

(\$ in billions)



Goals and Objectives

- Expand mortgage delivery franchise as an “A” paper lender
 - 2008 Volume by Product
 - 65% Conforming Conventional
 - 27% Government
 - 8% Portfolio/Other
- Maintain extraordinary credit quality through prudent and responsible underwriting
- Work closely with industry players to expand homeownership opportunities
- Expand our industry leading mortgage revenue bond relationships
- Maintain USB’s ‘Outstanding’ CRA rating

Successful Product Strategies – LMI Households

- Use of proven affordable products
 - GSE's (Home Possible, MCM)
 - FHA
 - American Dream (USB product)
 - 97% LTV (95% in certain markets)
 - No MI
 - Minimum \$1,000 borrower cash investment
 - 12 mos. Clean credit
 - USB entry cost assistance up to \$3,000
- Do NOT use (USB never offered) riskier products not intended for LMI household buyers
 - Option ARM's
 - Neg Am products
 - Prepayment penalty products
 - Zero-down products
 - No-doc loans

Successful Strategies – cont.

- Lessons of the past will formulate the future
 - If you set someone up to fail...they will
 - Homeownership is a process, not a product
 - If it sounds too good to be true, it is

- Lenders must partner effectively with community groups, regulators and the secondary market to realize and sustain growth in LMI areas

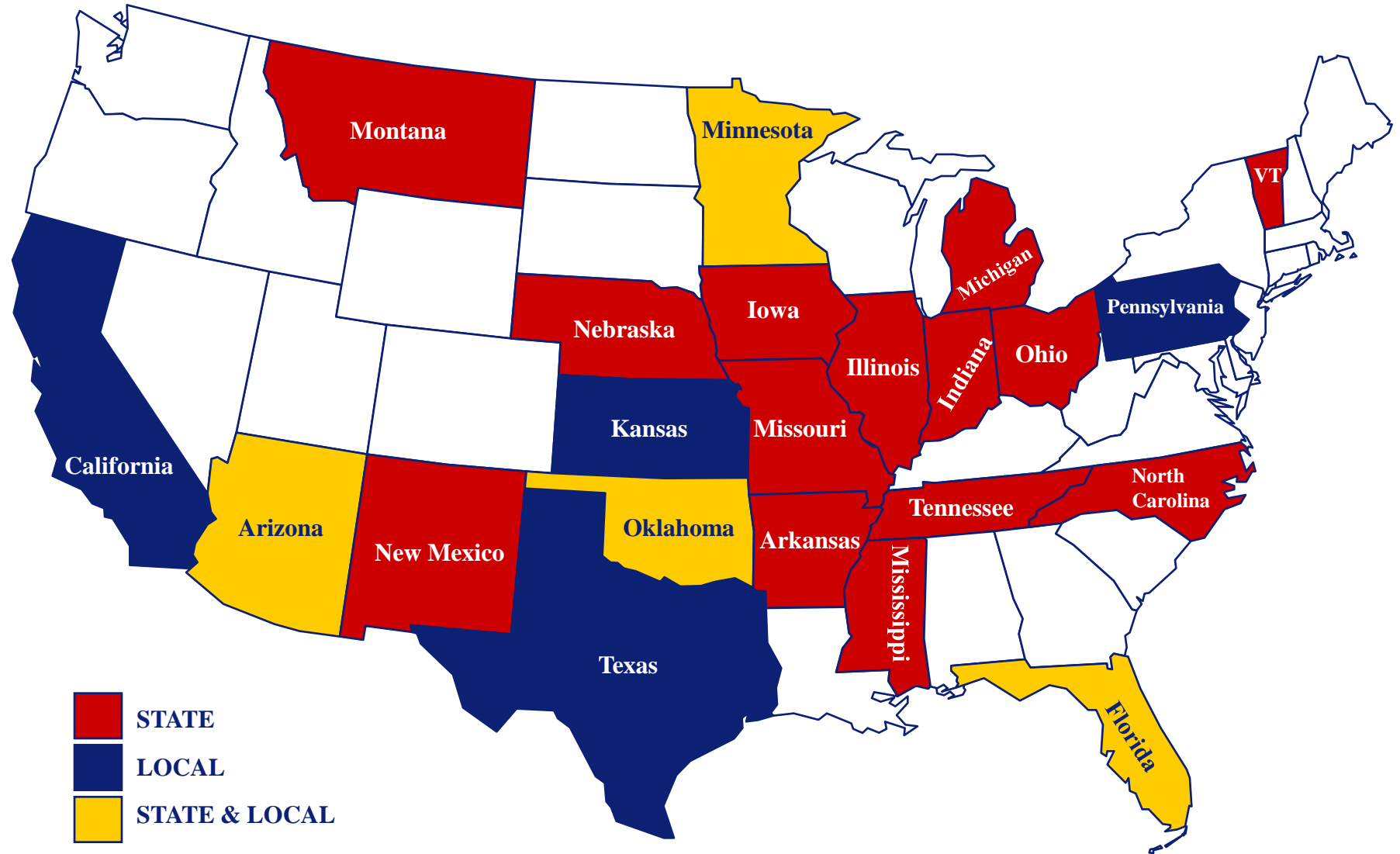
Effective Outreach, Delivery and Counseling

- USB Community Affairs division coordinates our relationships with numerous community stakeholders, as well as, CRA advocacy organizations on a national and state level.
- Dedicated community mortgage loan originators work directly with community homeownership groups to provide counseling and promote lending in LMI and minority neighborhoods.
- 23% of USB's bank branches are located within low/moderate census tracts
- Partner with GSE's to sponsor numerous homeownership and home retention events throughout our footprint (working with Freddie Mac on a 7 city event this summer)
- Conduct hundreds of homebuyer education classes and seminars annually
- U.S. Bancorp Foundation support of numerous non-profit counseling organizations through contributions and grants.
- 38% of U.S. Bank Home Mortgage 2008 purchase fundings were to first-time homebuyers

Mortgage Revenue Bond Program (MRBP)

- Industry leader in providing support and service to Housing Finance Agencies (state and local) around the country
 - HFA's are charged with duty of providing affordable housing to their communities
- MRBP specializes in the training, rollout, acquisition and servicing of MRB mortgage loans

State and Local Housing Agency Relationships



Thank you!

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952-851-5486

ed.shanks@usbank.com