



**AFL-CIO**



**ALLIANCE OF CALIFORNIANS FOR COMMUNITY EMPOWERMENT**



PICO National Network



April 27, 2010

Mr. John Stumpf, Chairman, President and CEO  
Wells Fargo & Company  
420 Montgomery Street  
San Francisco, California 94104

Mr. Stumpf:

We are writing to communicate our serious concerns about the corporate practices and policies of Wells Fargo & Company. As one of the largest banks in the United States, your actions have a profound impact on communities across our nation. As a broad cross section of community, faith, and labor organizations representing tens of millions of people across California and the United States we call on you to support efforts to stop discriminatory lending; keep families in their homes; and make credit available to create quality jobs. We urge you to abide by Wells Fargo's original mission of extending credit responsibly to families and small businesses.

As the President and Chief Executive Officer of one of the largest banks in America, you have a critical responsibility to help lead our country out of the financial crisis. At the onset of the financial crisis, the American public provided over \$36 billion in Wells Fargo and hundreds of billions of dollars in bailouts to other large banks. The commitment to bailout the nation's largest "too big to fail" banks combined with the unprecedented intervention by the Federal Reserve to make available funds at extremely low interest rates has enabled Wells Fargo to earn record profits in 2009.

Despite all of this, we fail to see any meaningful changes in the corporate behavior of Wells Fargo. After participating in the federal HAMP program for a full year, Wells Fargo has provided permanent loan modifications to only 30,000 homeowners, less than 8 percent of the families who are potentially eligible for modifications according to the most recent data from the Department of Treasury.

Americans continue to struggle to find work as we see hardworking families and businesses in our communities continue to be denied access to safe and affordable credit. As Congress attempts to debate financial reform to prevent this crisis from happening again, we have seen Wells Fargo spend

\$2.9 million in lobbying expenses as well as participate in organizations such as the Financial Services Roundtable that are leading the attack on important consumer protections.

Our members and the American public are weary of your actions and are crying out for meaningful change. Specifically, we are calling on you to do the following:

### **1. STOP DISCRIMINATORY LENDING**

- (a) Wells Fargo must completely eliminate racial disparities in mortgage lending and practices that push minority homeowners who could qualify for prime loans into subprime mortgages.
- (b) Wells Fargo must immediately stop high-interest short-term lending similar to payday loans, and instead, put that money towards lower-interest small-dollar loans that will help meet this crucial need for affordable and accessible credit in our communities.

### **2. HELP KEEP FAMILIES IN THEIR HOMES AND AVOID EVICTIONS**

- (a) MORATORIUM ON FORECLOSURES: Wells Fargo must declare a moratorium on foreclosures for all owner-occupied homes until it has provided permanent loan modifications to at least 50% of eligible families under the HAMP program.
- (b) Wells Fargo must provide as an alternative to foreclosure an offer that includes a principal reduction with affordable payments and a goal of 100% loan term value.
- (c) Wells Fargo must offer a lease to tenants in foreclosed properties and be a good landlord.

### **3. REBUILD OUR NEIGHBORHOODS**

- (a) Wells Fargo must bundle all of their bank-owned abandoned properties and offer them to local non-profits, land trusts and government entities.
- (b) Wells Fargo must commit to maintaining safe and adequate conditions in all abandoned foreclosed properties that it owns.
- (c) Wells Fargo must offer to sell bank-owned vacant properties at a discounted rate for affordable housing before selling to private investors.

### **4. INVEST IN OUR COMMUNITIES & PROTECT OUR DEMOCRACY**

- (a) We are calling on Wells Fargo to invest \$50 billion in 50 targeted communities that have been devastated by the foreclosure crisis and create access to good loans and good jobs.
- (b) Wells Fargo should pay its fair share through a modest financial speculation tax on securities transactions that will raise up to \$300 billion annually to pay to create new jobs.
- (c) We demand that you resign from the Chamber of Commerce, the Financial Services Roundtable and American Bankers Association, which are lobbying to block meaningful financial reform.

As people of faith and community, believe that there is still yet time for change. We want to work with you to help bring about these important reforms that are desperately needed for our families and communities. We believe that these reforms are in the best interest of our communities, our country, your corporation and your investors. We are calling on you to meet in person with a national delegation of our leaders to negotiate these proposals in good faith.

Sincerely,



Rev. Lucy Kolin  
Co-Chair, Oakland Community Organizations  
PICO National Network



Art Pulaski  
Executive Secretary  
California Labor Federation



Stephen Lerner  
Director of Banking and Finance Campaign  
Service Employees International Union



Rev. Eugene Barnes  
Board Chair  
National People's Action