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Dear Monitoring Committee Members:

Homeownership is the foundation of every community and we do everything we can to help our customers remain in their homes if they have difficulty making their mortgage payments. Since the signing of the National Mortgage Settlement (“NMS”), Wells Fargo has worked diligently to implement the servicing standards, provide the relief to consumers, and demonstrate performance through NMS metric testing. We have worked cooperatively with the Office of Mortgage Settlement Oversight and the Monitoring Committee to continue to listen to and address the concerns identified by the various Attorneys General, including work on four new Metrics previously agreed to by the Monitor. We have also worked with individual Attorneys’ General offices, such as New York, to address state-specific concerns.

As we detailed in our in-person meeting in May and the numerous discussions we have had with your members, Wells Fargo is committed to helping borrowers maintain homeownership and achieve long term financial success.

1. Wells Fargo’s Commitment to Preserving Homeownership

In August, Wells Fargo reported to the Monitor that the company has completed consumer relief and refinance credits totaling \$4.4 billion as of June 30, 2013. Under the terms of the NMS, Wells Fargo committed to provide \$4.3 billion in consumer relief and refinances for its customers.

It is important to note that because Wells Fargo made the decision to limit credits to Wells Fargo owned loans, which eliminated any impact to investors in loans we service for others and increased the relief provided to our borrowers, the credit Wells Fargo has reported to the Monitor is a fraction of the total Wells Fargo has completed nationwide. Since the NMS was agreed to, Wells Fargo has completed consumer relief and refinances totaling \$79.9 billion. And from the beginning of 2009 through the end of the second quarter, 2013, nationwide, we have helped families maintain homeownership through more than 870,000 modifications, which included \$7.1 billion in principal forgiveness.

2. Wells Fargo’s Commitment to the National Mortgage Settlement

Wells Fargo's commitment to upholding the requirements of the NMS includes our approach to implementation of the Servicing Standards contained in the NMS. This approach included an analysis of each of the 304 standards and a comparison of our existing practices. Approximately 200 of the 304 standards required some change to our systems or processes. In some cases these changes were minimal, however in other cases, more significant changes needed to be made. In each case, we validated the scope of the requirement, developed a measurement method to affirm our actions, and tested and monitored performance. We had a team of over 1,500 business and technology team members work over 400,000 hours exclusively in support of these changes. This process represented one of the most significant process change efforts in recent business history for the Mortgage Servicing Business.

Wells Fargo has now reported on all 29 Metrics over the course of four testing periods. During these testing periods, we passed every test with one exception in the fourth quarter of 2012.ⁱ At this time, Wells Fargo has successfully passed 72 out of 73 Metrics, which includes 170 out of 171 test questions reported to the Monitor under the terms of the NMS. Wells Fargo continues to focus on both Metric performance and servicing standards.

Additionally, the NMS Monitor has proposed new Metrics, which are designed to test the areas of the Servicing Standards where the Monitor has received the most complaints. Wells Fargo continues to work closely with the Monitor and the Monitoring Committee on these new Metrics in compliance with the NMS.

3. Wells Fargo's Commitment to Enhancing the Borrower Experience in the Loan Modification Process

In the year since we implemented all of the servicing standards contained in the NMS, we have continued to review our processes and procedures. And in response to comments and input provided primarily from the Monitoring Committee, the Monitor, and individual Attorneys' General offices, we identified voluntary operational strategies to enhance the borrower experience.

As we have stated, based on these discussions, Wells Fargo is in the process of implementing several operational strategies, which we believe go beyond the terms of the NMS and show our commitment to the NMS and the Monitoring Committee. All of these voluntary operational strategies are designed to improve our borrowers' experience in the loan modification process. These operational strategies will be implemented on a national basis, and include the following:

- Early underwriting review for customers with potentially complex transactions;

Wells Fargo has heard the concerns expressed regarding the content and effectiveness of borrower communication. We recognize that each customer's experience in the modification review process varies greatly depending on the complexity of the review. To address the varying complexity, when a request for modification assistance is received, an initial review will be completed to determine the complexity level. Based on the complexity of the modification review, the request will be routed within Wells Fargo to a Single Point of Contact with the appropriate experience and skill level. For those reviews that are considered more complex, a more experienced Single Point of Contact will be assigned to the review. Through this identification and routing process, we hope to improve the customer's experience.

In addition to assigning complex modification requests to more experienced Single Points of Contact, for customers who are self-employed or have multiple income sources, a Wells Fargo Underwriter will perform a pre-review evaluation with the intent to identify the documentation needed to provide a modification decision. These actions will occur upon the first disclosure of the complex nature of the transaction. We will work with the customer to identify these scenarios at the initial submission of customer documents. The intent is to reduce the number of requests for additional documentation or clarification of information.

- Escalation process for customers experiencing multiple documentation or clarification requests;

Through portfolio research, we have identified that customers are responsive to our requests for information. On average, 74% of customers provide all the necessary documents within 30 days and 16% of customers are able to provide the documents within 60 days.

For those loans where a third request for documentation or clarification is required, the Single Point of Contact will offer to arrange a conference call between the customer and the Wells Fargo underwriter to discuss the document(s) requested and the reason(s) behind the request. The intent of the process is to reduce additional requests and ensure all parties understand the information required to render a decision for the customer.

- Refinement and enhancement of customer communication regarding missing information;

Wells Fargo utilizes a market research panel of customers to review and refine the content of letters regarding missing documents. These customer panels are focus groups where a moderator provides copies of actual letters and leads participants through a prompted discussion about their effectiveness. Reviews are focused on the clarity of our documentation requests to make sure these requests are easy to understand and clearly explain why additional information is being requested. Wells Fargo will continue this practice with a focus on “missing documentation” letters and other communications related to the modification process.

- Refinement and enhancement of housing counselor interaction; and,

We are also using housing counselor focus groups to gain insight into their experience working through our Home Preservation process. The housing counselor is led by an independent moderator to prompt discussion about our Home Preservation process and gain insight into a housing counselor’s experience working with Wells Fargo. Feedback from these sessions will be used directly to improve our operations.

- Facilitate involvement of housing counselors in the loss mitigation process by use of Relationship Managers and the Hope LoanPort.

Wells Fargo recognizes that housing counselors are valuable partners in supporting our customers who need assistance in retaining homeownership. We will expand our Relationship Management Teams in support of select community housing agencies and nonprofit organizations. The intent is to support counselor questions and escalations, provide proactive customer and pipeline status, as well as offer ongoing education and training regarding Wells Fargo’s policies and procedures. Wells Fargo will encourage the use of the Hope LoanPort as a method to streamline communication and document

transmission during the loss mitigation review process. Hope LoanPort is a neutral, national, non-profit, e-commerce platform that is available for use by counselors and mortgage servicers. The intent is to create transparency in the process for both servicers and third-party advocates.

We want to provide customers with a straightforward and understandable path for consideration of mortgage payment relief during times of financial hardship. Simply put, we want to provide our customers every opportunity to maintain homeownership, and we believe these operational strategies will further enhance the borrower experience. However, we believe the Metric testing agreed to in the terms of the NMS also shows the progress we have made.

4. Wells Fargo's Commitment to On-going Dialogue

We believe the best way to assist borrowers with the goal of maintaining homeownership is to continue working within the confines of the NMS as well as to continue listening to the Monitoring Committee and other Attorneys General, the Monitor, and consumer advocate groups on issues of concern.

Therefore, Wells Fargo is committed to continuing the open and informative discussions we have had with the Monitoring Committee. We will continue to voluntarily implement these operational strategies, and we will continue to assist borrowers maintain homeownership across the country.

We appreciate that the Monitoring Committee has provided Wells Fargo an opportunity to hear your concerns and act upon them. We look forward to continued dialogue and engagement with your members. If you have any questions or comments, please do not hesitate to contact my office.

Sincerely,



David V. Gorsche
Assistant General Counsel

CC: Eric T. Schneiderman
Attorney General for the State of New York

ⁱ Wells Fargo reported a potential violation of Metric 19 (6.B.i), which exceeded the error threshold by 2.84%. Pursuant to the terms of the NMS, Wells Fargo's potential violation of Metric 19 is currently being resolved by a Corrective Action Plan, which was approved by the NMS Monitor. When we report our results on Metric 19 in November, we expect to be well under the error threshold for this Metric due to the operational strategies we implemented in the Corrective Action Plan.