

City of Philadelphia



(Bill No. 140445)

AN ORDINANCE

Authorizing the City Treasurer, on behalf of the City, to enter into an amendment agreement with Wells Fargo Bank, N.A. for provision of payroll banking services to the City, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Office of the City Treasurer, on behalf of the City, is hereby authorized to enter into an amendment agreement (the “Amendment Agreement”) with Wells Fargo Bank, N.A. (“Wells Fargo”), substantially in the form set forth in Exhibit A, pursuant to which Wells Fargo shall continue to provide payroll banking services to the City, under certain terms and conditions.

SECTION 2. The City Solicitor shall include in said Amendment Agreement such terms and conditions as she may deem necessary to protect the interests of the City.

SECTION 3. In accordance with Section 19-201(8)(c)(ii) of The Philadelphia Code, Wells Fargo’s updated fair lending plan is attached to this Ordinance as Exhibit B and Wells Fargo’s annual statement of community reinvestment goals is attached to this Ordinance as Exhibit C.

SECTION 4. The Chief Clerk shall keep on file Exhibits A and B and shall make them available for inspection by the public during regular office hours.

EXHIBIT A

Contract Number 1420003-01
Original Contract Number 1420003

April 2014 F. Dutchie (vw)
City of Philadelphia
City Treasurer's Office

STANDARD AMENDMENT AGREEMENT

THIS STANDARD AMENDMENT AGREEMENT (“Amendment Agreement”) is made as of this day of , 2014, and effective the 31st day of March, 2014 (the “Effective Date”), by and between THE CITY OF PHILADELPHIA (the “City”), by and through the City Treasurer’s Office (the “Department”), and WELLS FARGO BANK, N.A (“Provider”), a national banking association incorporated in the State of Delaware and headquartered in San Francisco, California, with local branch offices located at 1600 John F. Kennedy Boulevard, 4 Penn Center, Suite 810, Philadelphia, Pennsylvania 19103 and 123 South Broad Street, 15th Floor, Philadelphia, Pennsylvania 19109.

BACKGROUND

The City and Provider entered into a certain Contract, Contract Number 1420003, dated January 17, 2014, for an Initial Term from July 1, 2013 through March 30, 2014, which Contract includes the General Provisions, the Provider Agreement and any and all exhibits and attachments thereto (collectively, the “Base Contract”), wherein Provider agreed to render various Services to the City in accordance therewith; and

The City and Provider entered into an Amendment to the Base Contract, Contract Number 1420003-01, for the period March 31, 2014 to June 30, 2014, to add an Additional Term of three (3) months, in order for Provider to continue to render the Services and provide the Materials specified in the Base Contract; and

The City and Provider desire to enter into an Amendment to the Base Contract, Contract Number 1420003-02, for the period July 1, 2014 to June 30, 2015 to add an Additional Term of

twelve (12) months, in order for Provider to continue to render the Services and provide the Materials specified in the Base Contract; and

The City and Provider have agreed to amend certain terms and conditions of the Base Contract as set forth herein.

In consideration of the mutual obligations set forth herein, and each intending to be legally bound, the City and Provider covenant and agree as of the Effective Date as follows:

ARTICLE I: AMENDMENTS TO THE CONTRACT

With the exception of the following amendments set forth in this Amendment Agreement, and subject to councilmanic appropriation of funds, the terms and conditions of the Base Contract shall be and remain in full force and effect:

1.1 **Definitions.**

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Base Contract.

1.2 **Term.**

The Base Contract is amended to add an Additional Term, commencing July 1, 2014 and expiring June 30, 2015.

{THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY. SIGNATURE PAGE FOLLOWS.}

IN WITNESS WHEREOF, the Parties, intending to be legally bound by all of the Contract Documents, have caused this Amendment Agreement to be executed by their respective duly authorized officers as of the date in the heading of this Amendment Agreement.

APPROVED AS TO FORM
SHELLEY R. SMITH, CITY SOLICITOR

Per _____
FRANCOIS A. DUTCHIE
Divisional Deputy City Solicitor

THE CITY OF PHILADELPHIA

Through: The City Treasurer's Office

By: _____

Title: City Treasurer

WELLS FARGO BANK, N.A. *also known as Wells Fargo & Company*

CORPORATE SEAL:

By: _____

Title: _____
President or Vice-President

Attest: _____

Title: _____
(Ass't) Secretary or (Ass't) Treasurer

EXHIBIT B

Appendix II

Wells Fargo Bank, N.A
Fair Lending Plan
As Required by City Ordinance No. 100549
May, 2014

Wells Fargo is pleased to respond to the Annual Lending Study commissioned by the City of Philadelphia examining the Lending Practices of Depository Banks.

Background: Bill No. 100549 - states that "the proposed recipient submits a fair lending plan that responds to the latest annual lending disparity study or studies commissioned by the City relating to the performance of the proposed recipient and the performance of any other bank or other institution that the proposed recipient has acquired and such plan is attached as an exhibit to the ordinance approving the contract".

CORPORATE VALUES & VISION STATEMENT

Community Development: Wells Fargo's commitment to community development has consistently earned the Bank an "Outstanding" rating from the Office of the Comptroller of the Currency (OCC) who monitors and evaluates the Bank's compliance with the Community Reinvestment Act. At Wells Fargo, we want to satisfy all of our customers needs and help them succeed financially. We'll promote the economic advancement of everyone in our communities including those not yet economically self-sufficient, who have yet to share fully in the prosperity of our extraordinary country. We expect our team members to be community leaders.

Wells Fargo continues to provide access to lending and investment products through:

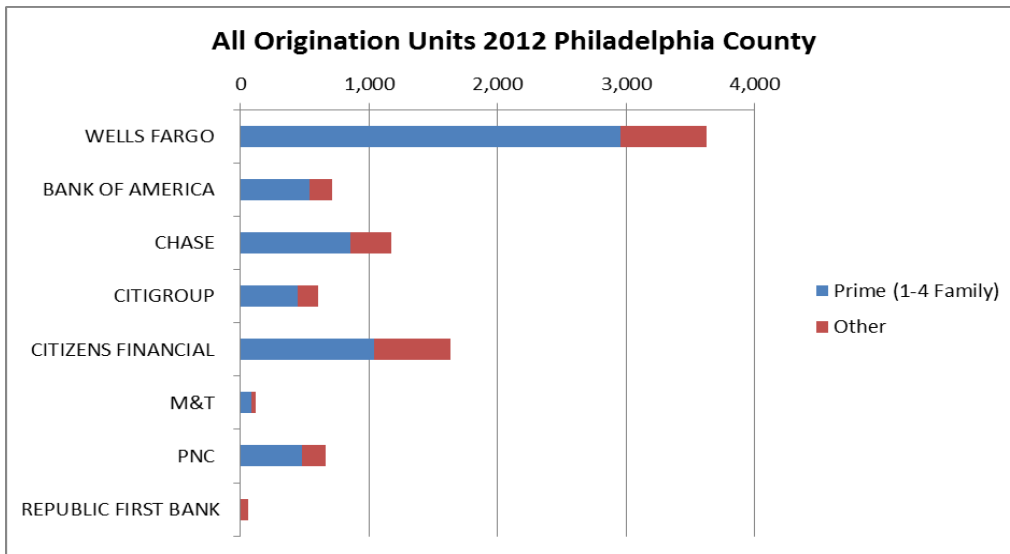
- Strong relationships to ensure impactful community development performance
- Tailored investments with flexible options
- Improved access to capital in low-moderate income communities

LENDING RESULTS

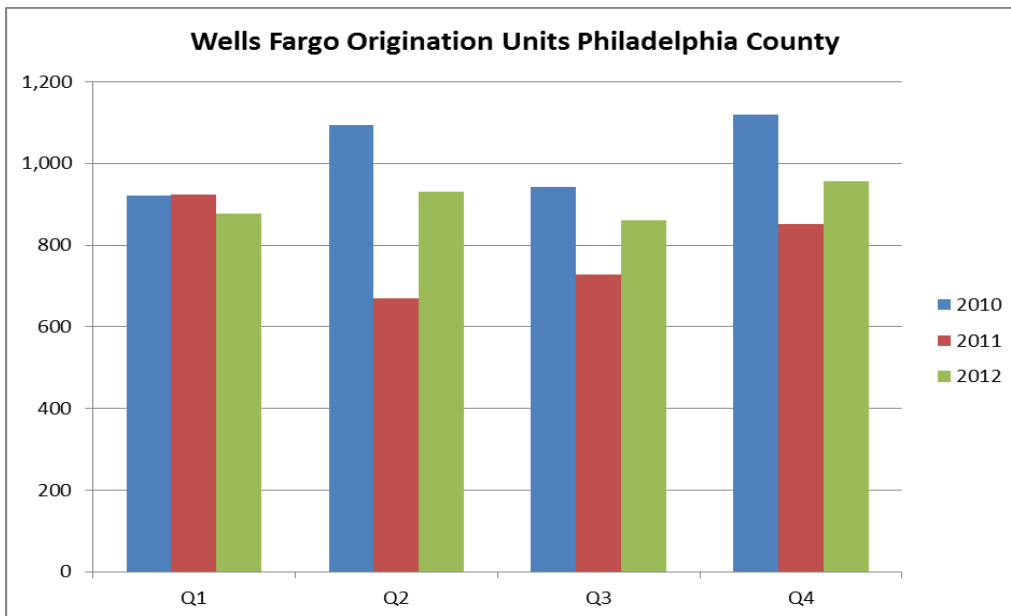
HOME PURCHASE

- Per the 2012 Econsult Lending Study Wells Fargo received the 2nd highest home purchase lending composite score among all of the ranked depositories, exceeding the next highest ranked lender by more than three points, indicating better performance than those lenders and lenders in the city as a whole.
- Wells Fargo was by far the largest mortgage lender in the city of Philadelphia in 2012 originating 2,953 prime loans and was responsible for 50% of all prime loans made by city depositories, 44% of prime home purchase loans and 55% of prime refinance loans. Overall, the study shows we originated more than twice as many loans in the city as the next largest lender.
- The CityLIFT Program kicked off in September 2012 and is a collaborative effort between Wells Fargo, local non-profits, realtors and Neighborworks America. The aim of the program is to increase access to Homeownership in Philadelphia. The program includes a commitment of \$10.0 million in Home Buyer Education, Down Payment Assistance Grants of \$15,000 for qualified homebuyers and

for local initiative funds. Additionally the program includes a commitment of \$2.2 billion in home purchase lending in the city of Philadelphia over the next five years, to ensure financing is available for credit worthy borrowers focused on supporting efforts to stabilize housing markets with neighborhoods deeply affected by foreclosures. Through the CityLIFT Local Initiative, Wells Fargo provided \$1.3MM in grants that will support foreclosure prevention efforts in the City including the Foreclosure Hotline, Door to Door Outreach to homeowners having challenges with their mortgages and housing counseling; in addition grants were provided to the Salvation Army, Project Home, The Enterprise Center and Clarifi.



- During 2010, Wells Fargo’s originations rebounded significantly from lending declines experienced by Wachovia in 2008. During 2010, Wells Fargo stabilized mortgage lending in Philadelphia and in 2011 through 2012 continued to be the largest lender in the City.



- Overall mortgage lending in the market increased from 2011 to 2012 and Wells Fargo prime home lending to African American, Hispanic, LMI borrowers and minority tract borrowers in the city decreased slightly, while continuing to remain the largest lender in the City.

All Prime, Single Family Loans, Philadelphia	2011 Wells Fargo	2012 Wells Fargo	Year over year % change
Prime Loans Originated	2668	2953	+11%
Loans to African Americans	464	443	-4.5%
Loans to Hispanics	136	127	-7%
Loans to Asians	152	221	+45%
Loans Minority Tracts	806	907	+13%
Loans LMI Borrowers	1,155	1,149	-.5%
Loans LMI Tracts	1,219	1196	-2%

Home Purchase Loans, Philadelphia	2011 Wells Fargo Penetration %	2012 Wells Fargo Penetration %	2011 All Depositories Penetration %	2012 All Depositories Penetration %
Loans to African Americans	24.0	18.3	23.9	26.2
Loans to Hispanics	7.5	4.1	8	8
Loans Minority Tracts	37	36.3	37	43.6
Loans LMI Borrowers	59.2	57.0	65.1	66
Loans LMI Tracts	56.4	48.3	59.7	56.9

- Achieving higher penetration rates is very difficult given Wells Fargo’s significantly higher loan volume. Nonetheless, we continue to partner with our community-based nonprofit partners, housing counseling partners and minority realtor groups to increase fair and responsible lending opportunities for homeowners in the Philadelphia communities.
- For 2012, Wells Fargo’s LMI neighborhood lending goal was 2,800 units. Wells Fargo was able to exceed the established target by making 3,532 home loans in those neighborhoods and increased the lending despite a slight increase in mortgage applications in Philadelphia.

Denial Ratios All Prime	African American	Hispanic	Asian	Minority Tract
Wells Fargo 2011	1.62	1.79	1.26	1.41
Wells Fargo 2012	1.83	2.00	1.11	1.60
All Depositories 2011	1.72	1.68	1.51	1.49
All Depositories 2012	1.83	1.84	1.51	1.63

Denial Ratios Home Purchase	African American	Hispanic	Asian	Minority Tract
Wells Fargo 2011	1.67	1.60	1.47	1.22
Wells Fargo 2012	2.24	3.26	1.22	1.96
All Depositories 2011	1.53	1.35	1.62	1.31
All Depositories 2012	1.83	1.90	1.72	1.54

Denial Ratios Refinance	African American	Hispanic	Asian	Minority Tract
Wells Fargo 2011	1.56	1.70	1.32	1.40
Wells Fargo 2012	1.64	1.51	1.12	1.41
All Depositories 2011	1.69	1.65	1.54	1.43
All Depositories 2012	1.74	1.68	1.49	1.51

- Wells Fargo was in line with City Depository averages for denial ratios in all prime lending in the African American, Asian and Minority Tract segments. Wells Fargo was slightly above the City Depository denial ratios for the Hispanic segment. Ongoing market conditions including under and unemployment and the foreclosure crisis have significantly impacted the volume of credit qualified home purchase mortgage applicants. We continue to work with nonprofit housing counseling organizations to identify opportunities.
- Higher denial rates for minority borrowers reflect differences in credit and transaction risk.
- As authors of the Econsult report themselves points out and the Federal Reserve has repeatedly emphasized, HMDA data alone cannot be used to show racial discrimination. Certain risk factors, such as credit scores, the loan-to-value ratio and type of property are not included in the data. For Wells Fargo, these factors help explain our loan approval decisions.
- Per the Econsult report, within City depositories, African Americans experienced less discrimination for home refinance loans and home improvement loans, but were more likely to receive a home purchase loan, as compared to the sample of all lenders. Red-lining did not appear to be taking place among the universe of all lenders or among City depositories.
- Wells Fargo’s commitment to fair and responsible lending is reflected in the report’s findings, which cite the company as “a national industry leader on anti-predatory issues.”

HOME REFINANCE

In 2012, Wells Fargo ranked 1st in the number of loans originated among all City Depositories. Wells Fargo issued 2,129 prime home refinance loans which was three times as many loans as that of the next highest depositor.

From 2011 to 2012, home refinance loan applications (among peer City depositories) increased by 21.8%

Our loan decisions are based on risk, including credit, loan-to-value and debt-to-income. To the extent there are differences among various groups, they are due to differences in credit risk.

Met or exceeded City averages for denial ratios to African-American (ranked 4th), and minority tract applications (ranked 3rd).

Home Purchase and Refinance Strategy: Understand and act on efforts to stabilize Philadelphia’s current housing situation and build a strong community for the future. To improve access to financing for low-moderate income homebuyers, Wells Fargo will execute the following strategy.

- Work with HUD approved non-profit Homebuyer counseling agencies and conduct First-Time Homebuyer workshops.

- Host and participate in First-Time Homebuyer Fairs and provide technical assistance to LMI participants on the mortgage process and products.

- Financial Literacy
 - Our *Hands on Banking*® online program provides the basics in money management. This information is also available in Spanish. Wells Fargo is also working with local school districts to make the program part of their curriculum.

 - Wells Fargo will host financial literacy sessions in local bank branches to advance financial literacy in the community and will provide the materials and resources for the event, templates, and resources for promoting the events through community forums, local newspapers and not-for profits.

 - Wells Fargo will make its **Steps to Success**® Training Meeting-in-a-Box and webinar program available to Philadelphia housing agencies and not-for-profits. **Steps To Success**® is a program designed to help new homeowners, or homeowners with past difficulties, achieve and sustain successful homeownership, through education, tools and resources

 - In 2013, Wells Fargo added two new segments to its financial literacy program that focus on the Senior and Military/Veteran communities. The information is specific to the needs of these segments and allows for Wells Fargo team members to share important financial information including how to buy a home or a car, budgeting, credit, etc.

- Sponsor conferences and Partner with Minority Realtor Groups; National Association of Real Estate Brokers (NAREB), National Association of Hispanic Real Estate Professionals (NAHREP) and Asian Real Estate Association of America (AREAA).

- Work with Realtors who serve low and moderate-income communities - CineMeeting simulcasts are held for real estate and mortgage professionals focused on serving the needs of first-time homebuyers, low and moderate-income and diverse customers.

- Wells Fargo is committed to reaching out to LMI borrowers utilizing Wells Fargo's suite of mortgage products that include low down payments with competitive interest rates.

- Provide Home Mortgage Consultants with on-going training/development to ensure expertise in CRA products

- By supporting our Non-Profit Housing Partners, Wells Fargo will continue to provide financial and volunteer support to activities in Philadelphia that drive the vitality of neighborhoods, with a special emphasis on neighborhood non-profit developers.
 - During fiscal year 2012, Wells Fargo Foundation committed \$2.7 million in grant support to organizations in the City of Philadelphia with a focus on community development, education, health & human services, arts & culture, civic engagement and the environment.

 - Since its inception in 2003, the Wells Fargo Regional Foundation has provided \$20.1 million to support revitalization work in 15 Philadelphia neighborhoods supporting neighborhood planning, affordable housing development & counseling, economic development, neighborhood building, child & family services. In fiscal year 2012-2013 the Wells Fargo Regional Foundation disbursed \$1.2 million to 19 different Philadelphia-based organizations impacting LMI communities.

FORECLOSURE PREVENTION

- Wells Fargo continues to execute on strategies directed at minimizing foreclosures through partnerships with the City of Philadelphia and local nonprofit organizations to support the ongoing efforts of Housing Counseling Services and to implement their \$16.8 million NSPI and \$43.9 million NSPII grants increasing the efforts to get vacant properties occupied again and strengthen neighborhoods in the City of Philadelphia, which is an important community for Wells Fargo, its customers, and team members.
- Wells Fargo has also significantly supported the City's efforts around addressing the foreclosure crisis through grant support for the "Save Your Home" Foreclosure Hotline (\$87,025), the Door to Door Outreach initiative (\$120,000) and Housing Counseling throughout the City (\$600,000).
- In markets hit hard by foreclosures, we have accelerated our modification efforts by hosting large-scale Home Preservation Events. For Wells Fargo Home Mortgage customers who attend, many receive modifications on the spot or within a short period after the event. A Home Preservation Event took place on September 11 & 12, 2010 at the Pennsylvania Convention Center:
 - 14,000 Wells Fargo & Wachovia customers in the Philadelphia area were invited
 - A total of 542 appointments during the two day event.
 - Workout results for loans reviewed at the event as of 05/20/2010
 - 100% have received a final decision
 - 70% have been approved for some kind of a workout option – 90% of those were modifications
 - 30% were denied or cancelled by the borrower

A second Home Preservation event was held on October 5 & 6, 2011 at the Philadelphia Convention Center:

- 34,918 Wells Fargo & Wachovia customers in the Philadelphia area were invited
- A total of 659 appointments during the two day event.
- Workout results for loans reviewed at the event as of 05/14/2012
 - 100% have received a final decision
 - 44% have been approved for some kind of a workout option
 - 53% were denied or cancelled by the borrower

A third Home Preservation event was held on August 14 & 15, 2012 at the Philadelphia Convention Center:

- 14,000 Wells Fargo & Wachovia customers in the Philadelphia area were invited
- A total of 551 appointments during the two day event.
- Workout results for loans reviewed at the event as of 05/14/2012
 - 100% have received a final decision
 - 44% have been approved for some kind of a workout option
 - 53% were denied or cancelled by the borrower

A fourth Home Preservation event was held on September 19, 2013 at the Philadelphia Convention Center:

- 3,800 Wells Fargo & Wachovia customers in the Philadelphia area were invited
- A total of 279 appointments and Wells Fargo reviewed 302 loans.
- Exit Survey results show 97% of customers who attended would recommend the event to others.

- A fifth Home Preservation event is scheduled for August 2014 in the Philadelphia market.
- Wells Fargo is committed to work with the City of Philadelphia to reach as many of its customers as we can to provide guidance for staying in their homes
- We have instituted a 1:1 customer ownership model “Single Point of Contact” where our borrowers are assigned a direct contact (agent), who will work with them on identifying what options are available to stay in their home. It is a national model/best practice and is now being implemented throughout the industry.
- We continue to work with trusted 3rd parties in the community to assist our customers with mortgage challenges. This includes non-profit housing counselors, faith-based leaders including the NAACP, the Philadelphia Black Clergy and the Hispanic Clergy of Philadelphia, officials from the city's mediation & diversion program, and elected officials.
- Wells Fargo works with the Urban Affairs Coalition (UAC) through the Foreclosure Prevention Task Force to create the Foreclosure Prevention Resource Guide – a how to guide for housing professionals, homeowners and others who are faced with potential foreclosure issues. The guide is free and it is available online at www.gpuac.org/foreclosurehelp.htm or to receive a free hard copy, e-mail foreclosureguide@gpuac.org
- Wells Fargo has also worked with the National Urban League to co-sponsor a new edition of The Foreclosure Workbook: The Complete Guide to Understanding Foreclosure and Saving Your Home by author Carla Douglin. The book is available free-of-charge to homeowners across the nation who are experiencing challenges making their mortgage payments and who may face potential foreclosure.

HOME IMPROVEMENT LOANS

In 2012, Wells Fargo ranked 2nd in the number of loans originated among all City Depositories. Wells Fargo also ranked 1st in denial ratios for Asian applicants, but failed to meet City averages for denial ratios for African American and Hispanic applicants (ranked 3rd) and minority tract applicants (ranked 3rd).

From 2011 to 2012, home improvement loan applications (among peer City depositories) decreased by 9.7%. In 2012, Wells Fargo modeled the overall City decrease with a decrease of 18% resulting in 52 home improvement loans. While Wells Fargo did not meet or exceed the City averages for denial ratio categories African American, Hispanic and minority-tract applicants, our loan decisions are always based on risk, including credit, loan-to-value and debt-to-income. To the extent there are differences among various groups, they are due to differences in credit risk.

Strategy: To recover, rebuild and sustain homeownership, including offering assistance and guidance to communities to plan their use of available Housing Economic Recovery Act dollars.

- Through the *Renew, Restore, Rebuild* Program, Wells Fargo provides education, guidance and government-backed renovation loan products to include: Financing options for purchase and renovation of residential properties using government-backed FHA renovation financing, FHA 203k Streamline renovation loan and Standard FHA 203k renovation loan.

Our plan for 2013 and beyond is to continue to lend responsibly to all consumer groups, partner with non-profits and City Government to support city-wide lending initiatives and identify products that meet community needs.

SMALL BUSINESS LENDING

Wells Fargo remained (tied with Citi Group) for 1st from 2011 to 2012 in small business lending. In 2012, Wells Fargo extended 9,124 small business loans in Philadelphia County a significant increase in comparison to 1,490 loans in 2011. 3,763 or (41%) of the loans were in LMI census tracts. In the period of 1/1/2104 – 3/31/2014, Wells Fargo extended 162 Small Business Loans in Philadelphia County for a total of \$911,000.

Strategy: To support small business development through identification of capital and technical assistance resources in order to increase employment and expand small business opportunities in the City of Philadelphia.

Wells Fargo Bank employs approximately 200 small business, business banking and retail banking specialists dedicated to providing financial services to businesses in the City of Philadelphia. Many of these bankers are located in Wells Fargo stores, the majority of which are located in LMI neighborhoods and minority areas.

Wells Fargo Small Business Lending includes:

- Credit amounts as low as \$5,000 on business loans
- Investments in Philadelphia Community Development Financial Institutions (CDFIs)
- Business Credit Cards and Lines of Credit

Wells Fargo has a comprehensive suite of products to help businesses grow and manage cash flow. Wells Fargo Advantage® Business Service Package is a flexible, full-featured business banking account, designed to help minimize fees. A business can choose at least three of the following accounts and services to complete your package:

- Wells Fargo® Business Platinum Debit Card
- Wells Fargo Business Online®
 - Free Business Bill Pay
 - Free Business Spending Report
- Any Business Savings Account
 - Earn a bonus interest rate on a Business Market Rate Savings account
- Wells Fargo® Business Platinum Credit Cards (subject to credit approval)
- Wells Fargo Business Secured Credit Card (for businesses that want to establish or rebuild credit)
 - **Wells Fargo Business Card Rewards® Program**
- Business Loans or Lines of Credit (subject to credit approval)
 - Wells Fargo BusinessLine® Line of Credit
 - Wells Fargo BusinessLoan® Term Loan
 - Wells Fargo Equipment Express® Loan
 - Wells Fargo Business Real Estate Financing
 - Wells Fargo Express Equity® Loan
 - Wells Fargo Express Refi® Loan
 - Wells Fargo Small Business Advantage® Line of Credit
 - Wells Fargo SBA Loans and Lines of Credit
 - Other business loans and lines of credit
- Direct Pay through Wells Fargo Business Online
- Business Time Accounts (Certificates of Deposits or CDs)
- Wells Fargo Merchant Services
- Wells Fargo Business Payroll Services

COMMUNITY PARTNERSHIPS SUPPORTING SMALL and MICRO BUSINESS

Wells Fargo provided the following grants and investments during fiscal year 2010 - fiscal year 2011 applications have been submitted and are currently under review for approval.

Greater Hispanic Chamber of Commerce – Wells Fargo provided a \$50,000 grant to support operations and programs. The funding will provide resources to help individuals start new businesses and adopt best practices; facilitate access for their members to local, regional, national and international opportunities to grow their businesses. With the help of Wells Fargo, the Chamber will contribute to a healthy business environment and improve the quality of life for the Greater Philadelphia Hispanic community.

- Wells Fargo will host several small business networking activities and seminars addressing small business financing and expansion.

Cooperative Business Assistance Corporation (CBAC) – Wells Fargo provided CBAC with a \$1.2 million equity equivalent investment to support capital access for small and micro lending in the Philadelphia business community. CBAC will provide loans and technical assistance to small businesses located in low and moderate-income census tracts and minority census tracts in Philadelphia neighborhoods. The intent is to increase the impact in distressed neighborhoods, create new employment opportunities and increase access to capital and technical assistance.

- Wells Fargo will be working with CBAC to provide small and micro lending seminars focusing on business finance and technical assistance.

African-American Chamber of Commerce – The Chamber received a \$25,000 grant to help the organization expand their technical assistance program for new and existing small businesses. Wells Fargo works with the Chamber and provides education, support, and marketing for individuals in low-moderate income communities seeking to build and grow profitable businesses. At Wells Fargo, we believe strongly that the best way to revitalize low to moderate income communities is to develop economic solutions for the residents. With today's economic contraction hitting large companies' especially hard, most financial experts believe that small business will lead the way forward for our economy including most job growth. As we grow business and personal income, we will help to transform communities and lives.

- Wells Fargo will host several workshops and networking mixers throughout the City of Philadelphia.

Urban Affairs Coalition (UAC) – UAC received a \$75,000 grant that will be used to support a variety of small business and economic development initiatives. Wells Fargo continues to play an active role on the organizations Small Business Lending Capacity building Committee and the Board of Directors. Currently, the Small Business Lending Committee is creating a multi-bank, multi-year support system for Community Development Finance Institutions (CDFI's) to increase their lending capacity.

- Wells Fargo will provide loan capital, operational funds and technical assistance to selected CDFI's.
- Wells Fargo will continue to provide financial education seminars for existing and new small business owners.
- UAC Community and Economic Development Committee created a sub-committee to address issues with Housing Counseling agencies in the City, with the intent to develop a sustainable solution for funding and impact regarding credit, pre-purchase and foreclosure counseling.
- UAC Community and Economic Development Committee created a sub-committee to address the issues surrounding the permanent funding of Housing Counseling in the City of Philadelphia. A Funding Collaborative was created and includes representation from all of the City financial institutions, non-profit partners, Office of Housing & Community Development – City of Philadelphia and PA Housing Finance Agency.

Urban League of Philadelphia – The Urban League received a \$50,000 grant to support the organizations Entrepreneurship Center. The Center provides technical assistance, strategic planning and linkages to resources to help small businesses grow their financial and human capital. The goal is to empower entrepreneurs to increase revenue and create employment opportunities in the region.

- Wells Fargo will continue to provide financial education seminars for existing and new small business owners.
- Urban League partners with Wells Fargo to support the Home Preservation event in September 2013 where we worked to support over 300 homeowners having challenges with their mortgages.

University of PA (Wharton Small Business Development Center) – The Wharton School received a multi-year commitment of \$500,000 to support the Wharton SBDC, enabling the Wharton SBDC to enhance their core programs that help over 700 small businesses annually to start, grow and prosper. Funds will be used to support the Business Building Program; the High-Impact Growth Consulting Program and SBDC-developed Wharton Course Projects.

- Wells Fargo will host several workshops, networking events and provide technical assistance to Small Business Owners in West and Southwest Philadelphia.

Philadelphia Chinatown Development Corporation – In 2010, PCDC completed a four year implementation grant of \$434,000 from the Wells Fargo Regional Foundation. The grant supports community outreach, housing counseling, community services programs and development of a Business Improvement District. Also, the grant enabled PCDC to leverage additional resources that facilitated economic development projects and the hiring of a Main Street Manager to organize local business owners.

- Wells Fargo works with the Main Street Program to provide technical assistance and access to capital for small businesses in Chinatown.
- PCDC has been supported by the Wells Fargo Regional Foundation for the development of a neighborhood plan and the implementation of that plan. Additionally they have been supported with a renewal grant to continue the impact of the original resident-driven neighborhood plan in Philadelphia’s Chinatown neighborhoods.

Finanta – During 2011-2012, a subcommittee of the Urban Affairs Coalition focused on CDFI Capacity Building with small business lenders in the City of Philadelphia. During 2013, Wells Fargo along with other financial institutions participate in this initiative which is ongoing to assist in driving capacity at Finanta to increase peer lending, micro-lending and small business lending throughout the City neighborhoods. Wells Fargo provided a \$20,000 grant to support Finanta’s micro-lending business in North Philadelphia. FINANTA is committed to supporting entrepreneurs and first-time homeowners with financial education and lending services that match the ever-changing needs of their families and businesses.

- Wells Fargo will work with Finanta as a partner with the Wells Fargo Small Business Solutions Expo and other small business technical assistance and access to capital events.
- Wells Fargo provided grant dollars to Finanta to support Rosca, a “peer lending” micro-lending program supporting North Philadelphia neighborhoods.

The Enterprise Center – Wells Fargo sponsored a Small Business Solution Expo in West Philadelphia (in partnership with the Enterprise Center) in May 2013 to provide a venue for micro and small businesses to meet with representatives from Wells Fargo, Community Development Finance Institutions, Small Business Development Centers, Legal Services, Accountants, Healthcare, Fraud Services and the City of Philadelphia Commerce Department. The Expo helped Businesses to 1) Grow and Expand, 2) Identify new ways to reduce expenses and 3) Increase operation efficiency. The Businesses gained access to: Credit Solutions (Lending Products), Non-Credit Solutions (Merchant Services, Insurance, Payroll) and Business Advisory Services (Accounting, Legal, Fraud Prevention, Healthcare, and Strategic Planning). Over 90 Small Business Owners attended the Expo.

Wells Fargo provided a \$100,000 grant as part of the CityLIFT initiative to support the opening of the Venture Accelerator Center and to promote the Elevate! small business loan program in the City of Philadelphia.

- Wells Fargo sponsored a second Small Business Solution Expo (Business Education Series) at Temple University in North Philadelphia on November 19th. The Expo focused on key areas that are essential in growing and developing a business. Attendees met the experts in the following rotating table discussions. Social Media/Marketing, Payroll, Insurance, Financing, Sales and Accounting. 75 Small Business Owners attended the event.

NEIGHBORHOOD ANALYSIS

The home and business lending practices in nine City neighborhoods were examined. These neighborhoods contain census tracts classified as minority and low-to-moderate-income (LMI). All nine neighborhoods are located in areas where community development corporations and empowerment zones have been established.

Wells Fargo made 92 loans within the nine neighborhoods. Wells Fargo made 3.1 percent of all its City loans in those nine areas. Its market share in the neighborhoods was 11.5 percent. Its market share in all of Philadelphia was 13.3 percent. The largest number of loans by Wells Fargo was made in the OARC neighborhood (60 loans), where Wells Fargo had a market share of 12.8 percent.

BRANCH ANALYSIS

Sixty-five percent of census tracts in the City are LMI tracts. Wells Fargo surpassed the Citywide benchmark for branches located in LMI areas. 60% of Wells Fargo's branches are located in LMI areas. Also, Wells Fargo exceeded the Citywide 36% benchmark for branches located in minority areas.

EXHIBIT C

D. COMMUNITY REINVESTMENT GOALS

Financial institution's annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.

a. Provide an overview of the financial institution's annual Community Reinvestment Goals.

Wells Fargo Bank, N.A., remains committed to consistently improving the ways we serve all City residents. We continue to bring strength and capacity to our communities through a broad array of financial initiatives, products and services. Our employees spend time, effort and resources on helping to increase the supply of affordable housing through responsible lending, providing credit for homeownership to qualified buyers, teaching financial literacy, providing credit and technical support to small business owners and mobilizing employee volunteers. Every day, Wells Fargo employees seek to improve the communities in which they live; work and play by supporting a number of key focus areas.

In the area of **Financial Education**, our Hands on Banking® (HOB) online program addresses all the basics of smart money management. The curriculum is designed for four age groups: Adults, Young Adults (ages 15-21), Teens (grades 6-8), and Kids (grades 4 and 5) along with small business. Currently, a segment that targets financial literacy for the Senior community and Military/Veteran community. This fun, interactive, and engaging financial education program is designed for both self-paced, individual learning and group use. The curriculum aligns with national and state principles and standards for mathematics, reading, and economics. All units and lessons are available in both English and Spanish. In 2013, we conducted and supported over 75 financial literacy seminars and reached more than 2,500 participants in Philadelphia. Also, Wells Fargo works with the School District of Philadelphia to integrate HOB into their curriculum. We will host an agreed upon number of financial literacy sessions in local bank branches to advance financial literacy in the community. Wells Fargo will provide materials and resources, for the event; templates and resources for promoting the events through community forums, local media and not-for-profits.

In the area of **Affordable Housing**, for 2012 Wells Fargo Bank, N.A. originated 3,531 residential mortgages in low and moderate income areas of Philadelphia. We continue to support a network of nonprofit community housing counselors through foundation grants and employee resources. Our employees conduct first time homebuyers' seminars and sponsor homeownership fairs to help increase the number of homeowners in the city. We also provide construction financing products for affordable rental and homeownership units. Additionally, during 2012 Wells Fargo announced CityLIFT, a program that committed funding to support homeownership in the City of Philadelphia. The program included a commitment of **\$2.2 billion in home purchase lending** in the city of Philadelphia over the next five years, to ensure financing is available for credit worthy borrowers; a commitment of **\$10.0 million in Home Buyer Education, Down Payment Assistance Grants and local initiative funds**, and continued support for foreclosure prevention and Home Preservation efforts consistent with our efforts to date including the hosting of a Home Preservation Workshop on Aug 15th & 16th, 2012 in the city of Philadelphia. The result of this program to date is **more than 400 new homeowners** in the City of Philadelphia.

In the area of **Small Business**, Wells Fargo Bank, N.A. provides small business loans, mortgages, credit cards, vehicle and equipment leasing to help entrepreneurs and small businesses grow. We have Small Business Financial Specialists through our extensive branch network in Philadelphia, telephone contact centers and the Internet. We maintain an active participation with the Small Business Administration (SBA) and work with local small business development centers and associations to help educate entrepreneurs on personal and business finance topics. Also, we work closely with city wide small business initiatives and provide capital to smaller community lenders.

- b. Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.**

Type	2013 Goals	2013 Results	2014 Goals
Small Business Loans	700	775	800
Home Mortgages	3100	3280	3200
Home Improvement Loans	150	172	170
Community Development Investments	2	2	2

If applicable, explain why previous year results did not meet the stated goal.

Wells Fargo exceeded all 2013 goals for Mortgage, Home Improvement and Small Business. Wells Fargo Community Development Investments were flat from 2012-2013, due to market conditions and opportunities for a number of affordable housing tax credit projects in Philadelphia.

- c. Provide the actual number and dollar amounts of small business loans, home mortgages, home improvement loans, community development investments, consumer loans, and other commercial loans made in neighborhoods within the City of Philadelphia.**

Calendar Year 2013

Number of Loans by Income

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	1175	2105	1945	1178	6403
Home Improvement	82	90	57	28	257
Small Business Loans	389	386	356	377	1508
Community Development	1	2	1	2	6
Consumer Loans	n/a	n/a	n/a	n/a	n/a
Other Commercial Loans	n/a	n/a	n/a	n/a	n/a
Total:	1647	2583	2359	1585	8174
How many business loans were originated?	389	386	356	377	1508

Value of Loans (\$) by Income

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	\$134,123,000	\$291,469,000	\$389,815,000	\$397,702,000	\$1,213,109,000
Home Improvement	\$4,550,000	\$5,788,000	\$6,725,000	\$4,726,000	\$21,789,000
Small Business Loans	\$22,652,288	\$18,930,131	\$16,015,237	\$25,148,523	\$82,746,179
Community Development	\$24,500,000	\$10,080,000	\$500,000	\$6,705,000	\$41,785,000
Consumer Loans	n/a	n/a	n/a	n/a	n/a
Other Commercial Loans	n/a	n/a	n/a	n/a	n/a
Total:	185,825,288	326,267,131	413,055,237	434,281,523	1,359,429,179
% of Consumer Loans made through Credit Cards	n/a	n/a	n/a	n/a	n/a

- d. **Provide information on other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development).**

In addition to its lending, Wells Fargo also brings strength and capacity to its communities through a mixture of supportive services.

Investments in Philadelphia MSA: (not tracked to census tract or county level)

Grants	260	\$2,700,000
Low Income Housing Tax Credits	1	\$13,482,596
Equity Equivalent Investments (EQ2)	1	\$500,000

The **Wells Fargo Foundation** supports a variety of programs focusing on community/economic development, education, health and human services and arts and culture. Our **Wells Fargo Volunteers!** Chapter encourages and supports bank employees' volunteer service throughout the City. Further, **The Wells Fargo Regional Foundation**, a separate private foundation affiliated with Wells Fargo, works to improve the quality of life for children and families living in low-income communities by concentrating its resources on neighborhood-based community development initiatives. **Since its inception in 1998, the Wells Fargo Regional Foundation has made 490 grants totaling more than \$20.1 million to Philadelphia-based non-profit organizations.**

City of Philadelphia

BILL NO. 140445 continued

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City of Philadelphia

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 19, 2014. The Bill was Signed by the Mayor on June 27, 2014.



Michael A. Decker
Chief Clerk of the City Council