

City of Philadelphia



(Bill No. 130225-A)

AN ORDINANCE

Authorizing the Office of the City Treasurer, on behalf of the City, to enter into an 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 agreement (the "Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"), substantially in the form set forth in Exhibit A, pursuant to which Wells Fargo shall provide payroll banking services to the City, under certain terms and conditions.

SECTION 2. The City Solicitor shall include in said 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)(i) of the Philadelphia Code, Wells Fargo's Fair Lending Plan is attached to this Ordinance as Exhibit B.

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.

[Note: Exhibits to this Bill are on file in the Office of the Chief Clerk.]

EXHIBIT A

FORM OF AGREEMENT

Wells Fargo Bank
City of Philadelphia
City Treasurer

Contract Number1420003

PROVIDER AGREEMENT

(General Consultant Services)

THIS PROVIDER AGREEMENT is made as of the ____ day of _____ 2013, by and between the City of Philadelphia (the “City”), by and through the Office of the City Treasurer (the “Department”), and Wells Fargo Bank, N.A. (“Provider”), a national banking association, with its principal place of business at 123 South Broad Street, Philadelphia, Pennsylvania 19109.

BACKGROUND

The City and Provider desire that Provider render general consultant services to the City in accordance with the provisions of this Provider Agreement, the City of Philadelphia Professional Services Contract General Consultant Services General Provisions, as revised July, 2012 (the "General Provisions") and all of the other documents and exhibits which together constitute the Contract Documents as defined in the General Provisions. A copy of the General Provisions is attached hereto and incorporated herein by reference.

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

ARTICLE I: GENERAL TERMS

1.1 **Incorporation of Background.**

The Background is incorporated by reference herein.

1.2 **Definitions.**

Capitalized terms shall have the meanings set forth in the General Provisions.

ARTICLE II: TERM

2.1. **Initial Term.**

The term of this Contract shall commence on July 1, 2013 and shall terminate on June 30, 2014, unless terminated earlier in accordance with the terms of the Contract.

2.2 **Additional Term(s).**

This Contract may be amended by the City, in its sole discretion, in accordance with Section 2.2 (Additional Terms) of the General Provisions, provided, however, that no amendment renewing this Contract for an Additional Term shall be executed without such amendment being approved by ordinance of City Council. The terms and conditions applicable during the Initial Term shall be applicable during any Additional Term.

2.3 **Transition Term**

In the event that a provider of payroll banking services other than Wells Fargo is selected to provide payroll banking services at the end of the Initial Term or any Additional Term, this Contract may be amended to add an additional term (the “Transition Term”) of no more than six (6) months in order for an orderly transfer of the services to occur.

ARTICLE III: SERVICES AND MATERIALS

3.1 **Services and Materials.**

Provider shall perform the Services and provide the Materials described in the Exhibit listed below, which is attached hereto and incorporated herein by reference:

Exhibit PA- 1 : Scope of Services

ARTICLE IV: COMPENSATION

4.1 **Amount.**

As compensation for the Services and Materials rendered and provided, the City covenants and agrees to pay to Provider in accordance with the following Exhibit, which is subject to all limitations on the allowability of cost items imposed by the City of Philadelphia Contract Cost Principles and Guidelines:

Exhibit PA- 1 : Scope of Services

4.2 **Manner of Payment.**

Payment made to Provider shall be derived from the earnings allowance on the investable funds held in the analysis relationship summary and shall be deducted by the Provider on a monthly basis from the prior position carried forward, or such other account as City and Provider shall agree.

ARTICLE V: MISCELLANEOUS PROVISIONS

5.1 **Notice.**

Any notice required or permitted to be given under the Contract shall be given in writing and shall be personally delivered by hand with receipt obtained, by a national overnight express carrier (such as Federal Express), by facsimile, or sent by registered or certified United States mail, return receipt requested, addressed as follows:

IF TO THE CITY:

Attn.: Mark DiSilvestro, Assistant City Treasurer
Office of the City Treasurer
Room 640, Municipal Services Building
1401 JFK Boulevard
Philadelphia, PA 19102
Fax No.: (215) 686-3815

IF TO PROVIDER:

Attn.: Carlo Borgia, Senior Vice President
Wells Fargo Bank
123 South Broad Street
Philadelphia, PA 19109
Fax No.: (215) 670-4480

5.2 **Section 5.2 intentionally deleted.**

5.3 **Interpretation; Order of Precedence.**

In the event of a conflict or inconsistency between the terms of this Provider Agreement and any term, condition or provision contained in any Exhibit hereto, or any attachment to such Exhibit (including, without limitation, any proposal of Provider), the terms of this Provider Agreement shall control.

5.4 **Other Provisions.**

Other provisions, including, without limitation, OEO participation commitments and any exceptions or modifications to the General Provisions of the Contract, are set forth in the following Exhibits attached hereto and incorporated herein by reference:

(a) **Exhibit PA__:**

(b) **Exhibit PA__:**

5.5 **Acknowledgement of the General Provisions.**

Provider specifically acknowledges that Provider has read and understands the terms and conditions contained in the General Provisions and acknowledges that by executing this Provider Agreement, Provider shall be legally bound by all of the terms of this Contract, including, but not limited to, those set forth in the General Provisions.

City of Philadelphia

BILL NO. 130225-A continued

Certified Copy

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

THE CITY OF PHILADELPHIA

Through: Office of the City Treasurer

APPROVED AS TO FORM
SHELLEY R. SMITH, CITY SOLICITOR

By: _____
Nancy Winkler, City Treasurer

Per _____
François Dutchie, Divisional Deputy City Solicitor

CORPORATE SEAL:

WELLS FARGO BANK

By: _____

Title: _____
President or Vice-President

Attest: _____

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

Exhibit B

Fair Lending Plan & Community Reinvestment Goals

Fair Lending Plan

Appendix II

Wells Fargo Bank, N.A Fair Lending Plan As Required by City Ordinance No. 100549 May, 2013

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:

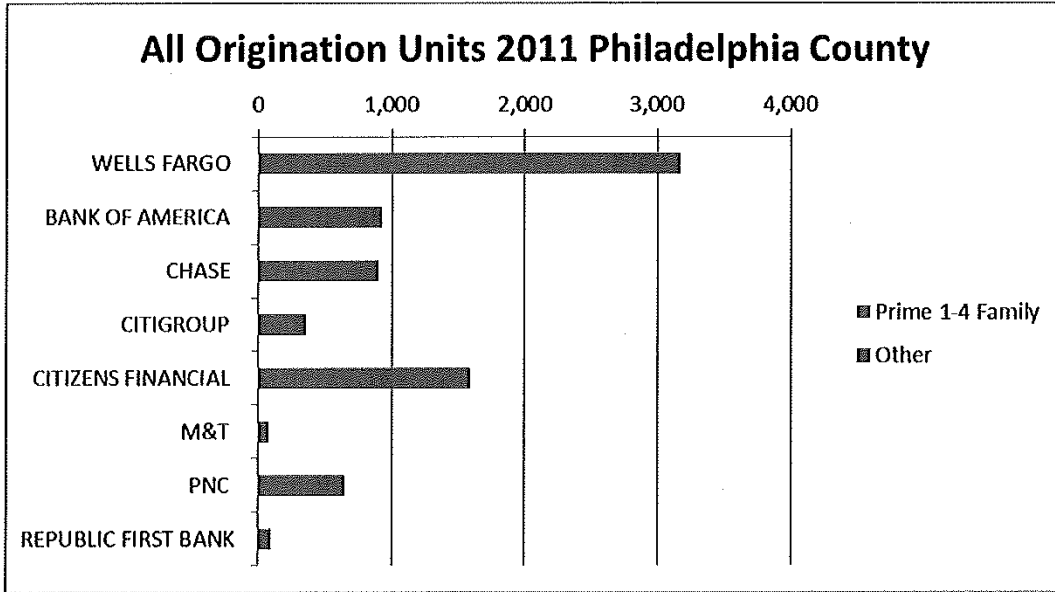
- Strong relationships to ensure impactful community development performance
- Tailored investments with flexible options
- Improved access to capital in low-moderate income communities

LENDING RESULTS

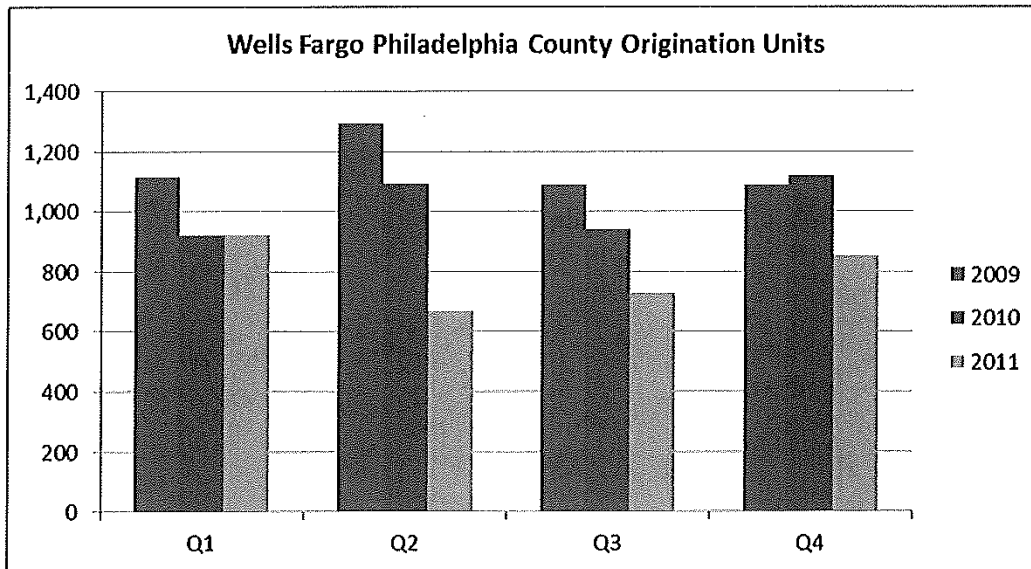
HOME PURCHASE

- Per the 2011 Econsult Lending Study Wells Fargo received the 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 2011 originating 2,668 prime loans and was responsible for 50% of all prime loans made by city depositories, 46% of prime home purchase loans and 53% 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.



- During 2009, Wells Fargo/Wachovia’s originations rebounded significantly from lending declines experienced by Wachovia in 2008. During 2010, Wells Fargo stabilized mortgage lending in Philadelphia and in 2011 continued to be the largest lender in the City.



- Overall mortgage lending in the market decreased from 2010 to 2011 and Wells Fargo prime home lending to African American, Hispanic, LMI borrowers and minority tract borrowers in the city slightly decreased, while continuing to remain the largest lender in the City.

All Prime, Single Family Loans, Philadelphia	2010 Wells Fargo	2011 Wells Fargo	Year over year % change
Prime Loans Originated	3574	2668	-25%
Loans to African Americans	575	464	-19%
Loans to Hispanics	193	136	-29%
Loans to Asians	200	152	-24%
Loans Minority Tracts	1,072	806	-25%
Loans LMI Borrowers	1,437	1,155	-20%
Loans LMI Tracts	1,612	1,219	-24%

- While Wells Fargo did not meet or exceed City Depository averages in percent of loans to LMI borrower and LMI tract borrowers, penetration rates for lending to African Americans, Hispanics, minority tracts, LMI borrowers and LMI tract borrowers remained relatively flat as compared to 2010.

Home Purchase Loans, Philadelphia	2010 Wells Fargo Penetration %	2011 Wells Fargo Penetration %	2010 All Depositories Penetration %	2011 All Depositories Penetration %
Loans to African Americans	24.5	24.0	24.3	23.9
Loans to Hispanics	8.5	7.5	8	8
Loans Minority Tracts	39	37	38.7	37
Loans LMI Borrowers	57.2	59.2	62.8	65.1
Loans LMI Tracts	57	56.4	60.8	59.7

- 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 2011, Wells Fargo's LMI neighborhood lending goal was 1626 units. Wells Fargo was able to exceed the established target by making 3,336 home loans in those neighborhoods and increased the lending despite an 11.9% decline in mortgage applications in Philadelphia.
- Denial disparity ratios for Wells Fargo were in-line with the other depositories and in some cases were better than the other depositories as a whole.

Denial Ratios All Prime	African American	Hispanic	Asian	Minority Tract
Wells Fargo 2010	1.65	1.55	1.09	1.35
Wells Fargo 2011	1.62	1.79	1.26	1.41
All Depositories 2010	1.76	1.74	1.39	1.46
All Depositories 2011	1.72	1.68	1.51	1.49

Denial Ratios Home Purchase	African American	Hispanic	Asian	Minority Tract
Wells Fargo 2010	2.40	2.05	1.55	1.43
Wells Fargo 2011	1.67	1.60	1.47	1.22
All Depositories 2010	1.86	1.80	1.80	1.43
All Depositories 2011	1.53	1.35	1.62	1.31

Denial Ratios Refinance	African American	Hispanic	Asian	Minority Tract
Wells Fargo 2010	1.58	1.49	1.03	1.33
Wells Fargo 2011	1.56	1.70	1.32	1.40
All Depositories 2010	1.68	1.69	1.31	1.37
All Depositories 2011	1.69	1.65	1.54	1.43

- 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 2011, Wells Fargo ranked 1st in the number of loans originated among all City Depositories. Wells Fargo issued 1,749 prime home refinance loans in 2011 which was three times as many loans as that of the next highest depositor.

From 2010 to 2011, home refinance loan applications (among peer City depositories) decreased by 21.1%

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
- 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 2012, Wells Fargo Foundation **committed \$10.8 million through 300 grants to organizations** in the City of Philadelphia with a focus on community development, education, health & human services, arts & culture, civic engagement and the environment. **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 457 grants totaling more than \$18.9 million to Philadelphia-based non-profit organizations.**

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 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 currently participates in the Philadelphia “FIRST LOOK” program and will work with the City Attorney, designated City officials (City of Philadelphia Redevelopment Authority, Office of Housing & Community Development), and non profit housing officials to identify properties Wells Fargo owns or services for another owner in the City of Philadelphia that may be available for sale, donation, or discount in neighborhoods identified as a local priority.
- 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:

- 43,518 Wells Fargo & Wachovia customers in the Philadelphia area were invited
- A total of 452 attended the two day event.
- Workout results for loans reviewed at the event as of 05/27/2013
 - 96% have received a final decision
 - 47% have been approved for some kind of a workout option
 - 49% were denied or cancelled by the borrower

- 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 2011, 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 2nd).

From 2010 to 2011, home improvement loan applications (among peer City depositories) decreased by 10.1%. In 2011, Wells Fargo modeled the overall City decrease with a decrease of 17% resulting in 64 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 2012 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 advanced from 3rd place to 1st (tied with Citi Group) from 2010 to 2011 in small business lending. In 2011, Wells Fargo was consistent in the small business lending space as noted by the improved ranking. Wells Fargo extended 1,490 small business loans in Philadelphia County a 100% increase in comparison to 745 loans in 2010. 818 or (55%) of the loans were in LMI census tracts.

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 - New customers get DOUBLE points for the first 6 months and first year program fee waived
- 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 \$100,000 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.

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.

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.

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. 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.

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.

The Enterprise Center – Wells Fargo sponsored a Small Business Solution Expo in West Philadelphia (in partnership with the Enterprise Center) 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 expects to sponsor a second Small Business Solution Expo in 2013

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 99 loans within the nine neighborhoods, the most loans of any city depository. Wells Fargo made 13.5 percent of all its City loans in those nine areas. Its market share in the neighborhoods was 13.5 percent. Its market share in all of Philadelphia was 14.5 percent. The largest number of loans by Wells Fargo was made in the OARC neighborhood (64 loans), where Wells Fargo had a market share of 15.2 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. 71% of Wells Fargo's branches are located in LMI areas. Also, Wells Fargo exceeded the Citywide 23% benchmark for branches located in minority areas.

Community Reinvestment Goals

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 2012, we conducted and supported over 90 financial literacy seminars and reached more than 2,700 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	2012 Goals	2012 Results	2013 Goals
Small Business Loans	650	782	700
Home Mortgages	2,800	3,531	3,100
Home Improvement Loans	120	183	150
Community Development Investments	2	2	2

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

Exceeded or met all 2012 goals for Mortgage, Home Improvement and Small Business. Wells Fargo Community Development Investments increased from 2011-2012, 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 2012

Number of Loans by Income

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	1,149	2,382	2,591	1,577	7,699
Home Improvement	83	100	68	29	280
Small Business Loans	408	374	404	423	1,609
Community Development	2			5	7
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:	1,642	2,856	3,063	2,034	9,595
How many business loans were originated?	408	374	404	423	1,609

Value of Loans (\$) by Income

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	150,310,000	333,000,000	513,957,000	570,730,000	1,567,997,000
Home Improvement	19,048,000	7,882,000	8,734,000	4,772,000	40,436,000
Small Business Loans	22,478,153	17,488,821	17,018,863	24,394,083	81,379,920
Community Development	175,000			37,500,000	37,675,000
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:	192,011,153	358,370,821	539,709,863	637,396,083	1,727,487,920
% 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	300	\$10,800,000
Low Income Housing Tax Credits	1	\$11,800,000
New Market Tax Credits	1	\$12,000,000

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 457 grants totaling more than \$18.9 million to Philadelphia-based non-profit organizations.

- e. Briefly describe any lending outreach programs geared toward minorities, low-income persons, immigrants, or women. This description should include the targeted community, the type of product (i.e. commercial, home lending, unsecured consumer) and any program outcomes.

See Question 2a above

City of Philadelphia

BILL NO. 130225-A continued

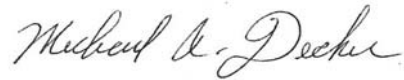
Certified Copy

City of Philadelphia

BILL NO. 130225-A continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 13, 2013. The Bill was Signed by the Mayor on June 25, 2013.



Michael A. Decker
Chief Clerk of the City Council