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Wells Fargo Bank
Community and Economic Development
Loan Program

On March 20, 1990, Wells Fargo Bank adopted a seven year goal of at least $1 billion in special loans through its Community and Economic Development Loan Program. We do not intend to subdivide the $1 billion goal into formal annual commitments. We will adopt internal targets for each year with updated program definitions.

Wells Fargo is engaged in an ongoing effort to effectively monitor and respond to the credit needs of the communities we serve. Loan program categories may vary from year to year as necessary to ensure that the products included remain relevant to the current needs of those communities.

The program includes the following major categories:

Low-to-Moderate Income Housing **Real Estate Group**

Interim and/or permanent financing for rental or for-sale housing projects. In rental projects, only that portion which represents housing for low-income (80% of median) or very-low-income (50% of median) tenants will be counted toward the goal. The Bank will seek to fund projects in which a significant portion of the units are intended for persons or families which fall within these income categories, with an emphasis on very-low-income affordability. Acquisition financing will be considered for non-profit agencies seeking to purchase "at risk" rental projects where affordability is endangered by expiring rent restrictions. "For sale" projects may be considered with restricted affordability up to the 120% of median income level, when sponsored by a public agency attempting to promote home ownership.

Economic Development **Commercial Banking Group**

Commercial loans to support economic development, including job creation and retention and development in enterprise zones. Includes loans to small businesses, minority and women-owned businesses, and non-profit organizations.

SBA 504 Real Estate Participated Loans

Certified Development Companies are authorized to sell debentures pertaining to a qualified small business with the Small Business Administration's (SBA) 100% guarantee. The proceeds from the sale of each debenture will be used for plant acquisition, construction, conversion or expansion.

Community Business Loan - Enhanced Product

Loans which meet the standards of the SBA but are not processed as SBA loans due to eligibility restrictions. Loans should provide employment, expand services or provide assistance in solving social problems. This feature represents an optional enhancement to the standard product line.

Community Business Loan - Standard Product

Loans for commercial real estate acquisition, construction and renovation. Loans need not meet the Bank's normal credit standards, but standards are expected to be at least equal to those required for an SBA loan.

Community Development Loans

Loans for commercial, industrial, mixed use or residential development and/or revitalization which may leverage public resources and are designed to directly benefit businesses, employees or residents of low- to moderate-income areas.

Small Business Lending **Business Loan Division**

The Business Loan Division (BLD) will provide various types of credit to businesses smaller than those served by the Commercial Banking Group. Loans will range in size from $5,000 to $500,000 and will fall within the following categories:

- Loans to businesses where loan proceeds are used for business expansion, including job creation; increase in plant capacity or introduction of new products
- Loans to businesses owned by minorities and women
- Loans in enterprise zones designed to enhance and attract small businesses. These zones are designated by state and local governments and characterized by special tax incentives.
- Loans to non-profit organizations that use loan proceeds to augment other community programs at the local and state level
- Loans to small businesses applying under established programs sponsored by a local government. BLD will participate in these loans as part of a larger commitment with local and regional banks that meet pre-approved credit criteria.
- Special disaster assistance loans for existing customers. These loans are designed to assist small businesses in overcoming business interruptions, or re-establishing a business operation adversely affected by a natural disaster.

Low-Income Housing/1-4 Units **Consumer Credit Division**

Financing for non-profit owned and/or managed small group care housing for the purpose of enabling non-profits to provide housing or shelter for disadvantaged groups. Community development loan programs are sponsored and subsidized by cities or counties seeking to offer low interest loans and attractive terms to residents within a specific geographic area for the purpose of revitalizing neighborhoods.

Low-Income Finance Terms (LIFT) Loan **Consumer Credit Division**

Consumer loans for low-income individuals who do not meet the standard Bank requirements for a loan, but who have established credit history.

- Loan proceeds may be used for a variety of consumer needs including personal loans; medical, hospital or dental expenses; education; auto purchase or repair; and home improvement.
- Credit record should not show flagrant delinquency without a satisfactory explanation. Continuous employment for two years (with adjustments considered for agricultural workers) and two years' residence in local area is required. Annual gross family income must be within 80% or less of the median income for the county in which they reside.
- 50% maximum debt-to-income ratio, including rent/ home payment and real estate taxes
- Extended loan terms and reduced payments in most cases
- No application fee
- All product criteria to remain in effect