

# Wells Fargo Is Committed

## ... To Averting Foreclosure through Short Sales

### Wells Fargo's Commitment

- We want to satisfy all of our customers' financial needs, help them succeed financially, be the premier provider of financial services in every one of our markets, and be known as one of America's great companies.
- Our guiding principle is always doing what is right for our customers, and we are nationally recognized for our industry-leading lending and servicing practices.
- Our commitment starts at the beginning – helping customers with clear, simple and timely lending information—and extends through servicing the loan.
- We are there for our customers in both good times and bad, working with them when financial difficulties arise to find solutions that align with their individual financial circumstances.

### One Foreclosure Prevention Solution: Short Sales

Customers having difficulty making their mortgage payments should talk to their mortgage servicer or credit management counselor as early as possible about the solutions available to them. The solutions may include refinancing, repayment plans, modifying the terms of the loan, short sales and other options.

With all options, we work with customers to explore their individual circumstances in order to recommend the solution that satisfies their needs while respecting the needs of the investors who purchased the loan (if applicable). This includes taking into consideration how much the customer can reasonably pay so that home-ownership remains sustainable.

When a customer cannot reasonably make payments, we work with the person on a solution that may prevent further collection activity and foreclosure. A short sale may be an option to help prevent the customer's credit standing from further deteriorating.

In a short sale, the lender enables the customer to sell the home at fair market value and pay off the loan for less

than the amount owed on the loan. There are restrictions associated with this option including not selling the home to family or friends, and tax implications that the customer should discuss with an accountant. When a short sale is completed, it is reflected as "paid in full for less than full balance" on the customer's credit reports.

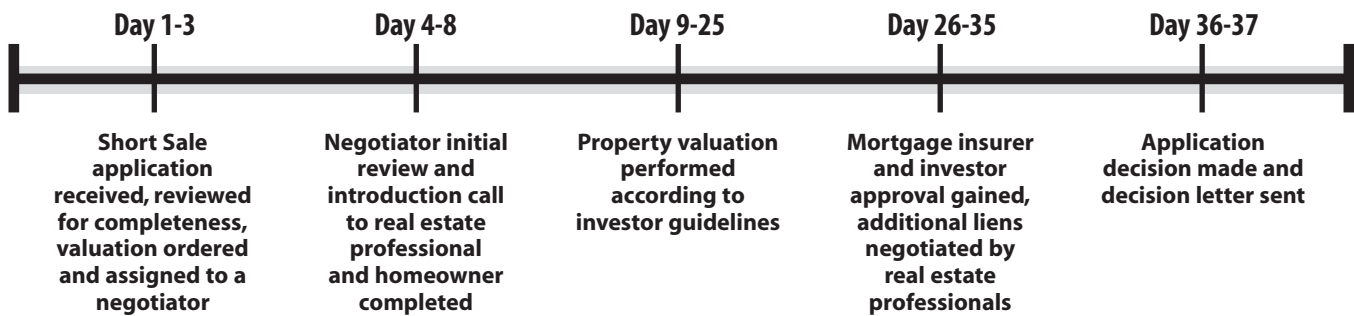
In some areas of our nation, property values have declined to a point where the value of the home is less than the amount the customer owes on the loan. Customers in these "upside down" situations, who are having difficulty making their mortgage payments, may find a short sale to be the solution to their financial challenges.

### Short Sale Timeline Estimate

Short sales can be a worthwhile option for some customers, but they do take time to complete. This complicated transaction requires paperwork from the customer, home valuations, approval from the mortgage servicer and mortgage insurer if applicable. In addition, appropriate approvals are required from the loan investor and potential coordination with the second lien holder. It may take additional time for the first and second mortgage holders to come to agreement.

# WFHM Short Sale Timeline

(Business Days)



Source: WFHM, May 2008

For instance, the number of business days required to process a Wells Fargo Home Mortgage short sale request is estimated in the chart on this page. Since Wells Fargo Financial does not sell its loans to investors, the timeline for its customers can differ. The timeline for both companies can be impacted dramatically by any of the parties involved in the transaction. Good communication with your mortgage servicer is necessary to ensure you are on top of developments in the process.

Finally, circumstances in the market are changing quickly and a short sale offer may only be good for 30 days. If the loan closing doesn't occur within this timeframe, the entire short sale package may need to be resubmitted or the approval process may need to start over.

## Getting Started

To minimize processing delays, homeowners contemplating a short sale should immediately call their loan servicer to get the approval process started, rather than wait for an offer on their home.

The first step for a Wells Fargo Home Mortgage customer is to call the Short Sale Phone team at (866) 903-1053. Customers should be prepared to discuss their financial hardship, ability to make payments and review required documents including:

- a brief, written explanation of the financial hardship,
- a completed financial worksheet, to be faxed to the customer by the Short Sale Phone team after contact is made, and
- real estate professional contact information (if applicable).

## Contact Information

To find the correct Wells Fargo contact number, visit [www.wellsfargo.com/help/](http://www.wellsfargo.com/help/).

Note: Customers in Alaska should call: (888) 833-6711.