

### C. 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.*

1. **Provide an overview of the financial institution's annual Community Reinvestment Goals and confirm most recent CRA rating.**

Wells Fargo Bank, N.A., remains committed to consistently improving the ways we serve all City residents. We 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 several key focus areas. Wells Fargo Bank, N.A. has been assigned an Overall CRA Rating of Outstanding. Please see the Public Disclosure dated February 4, 2019.

2. **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	2022 Results
Small Business Loans	520
Home Mortgages	341
Home Improvement Loans	10

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

**Calendar Year 2022**

*Number of Loans by Income*

<b>Type</b>	<b>Low</b>	<b>Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>Total</b>
Residential Mortgage	80	261	295	561	1197
Home Improvement	1	9	4	2	16
Small Business Loans	157	363	283	478	1281
Community Development	0	2	1	2	5
Consumer Loans					
Other Commercial Loans					
<b>Total:</b>					
How many business loans were originated?	157	363	280	475	1275

*Value of Loans (\$) by Income*

<b>Type</b>	<b>Low</b>	<b>Mod</b>	<b>Mid</b>	<b>Upper</b>	<b>Total</b>
Residential Mortgage	\$11,921,782	\$50,627,166	\$70,629,922	\$222,518,428	\$355,697,298
Home Improvement	\$59,200	\$783,410	\$455,000	\$501,000	\$1,798,610
Small Business Loans	\$3,055,518	\$5,727,441	\$3,822,461	\$10,034,745	\$22,640,165
Community Development		\$19,181,000	\$800,000	\$16,175,000	\$36,156,000
Consumer Loans					
Other Commercial Loans					
<b>Total:</b>	\$15,036,500	\$76,319,017	\$75,707,383	\$249,229,173	\$416,292,073

- 4. 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).**

70 Investments in Philadelphia County totaling \$44,820,996 (includes grants)
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**5. Briefly describe any lending outreach programs geared toward minorities, low-income individuals, women, or immigrants. This description should include the targeted community, the type of product (i.e. commercial, home lending, unsecured consumer) and any program outcomes.**

- In October, 2022 Wells Fargo in collaboration with the Urban League of Philadelphia announced the launch of “Philly 5000,” a new initiative to expand homeownership opportunities for people of color. Funded with a \$7.5 million grant from the Wells Fargo Foundation, the initiative kicked off with a housing and homeownership fair at the Community College of Philadelphia. “Philly 5000” brings together five community-based organizations with deep networks in majority Black and Hispanic neighborhoods, including HACE, Congreso De Latinos Unidos, New Kensington Community Development Corp, and the Urban Affairs Coalition.
- The Dream. Plan. Home.SM closing cost credit is designed for borrowers with income at or below 80 percent of the area median income (AMI) where the property is located. It is available in Philadelphia and provides up to \$5,000 towards non-recurring closing costs making it easier for low- and moderate-income families to purchase a home.
- Wells Fargo committed \$150 million to lower mortgage rates and reduce the refinancing costs to help minority homeowners further benefit from refinancing through our Special Purpose Credit Program, launched in April 2022. This program goes beyond the usual lending programs and puts the company’s own money to work refinancing minority families’ homes.
- In 2022, \$450,000 was awarded to Community Legal Services in Philadelphia to provide free legal services to people and families facing eviction through the Eviction Diversion Program.
- In June 2022, the Wells Fargo Foundation announced Growing Diverse Housing Developers, a \$40 million grant initiative to create more affordable homes and increase racial equity in the housing development sector. Three of the participating developers are active in the Philadelphia metro area.
- Wells Fargo committed \$500,000 to The Promise, an initiative aimed at tackling poverty and helping families achieve financial stability in Philadelphia, led by the United Way of Greater Philadelphia and Southern New Jersey.

**6. Disparities in Lending: Attach a long-term strategic plan to address disparities in the Bank’s or Financial Institution’s lending and investment activities that may be indicated in the [City’s 2021 annual lending study](#).**

**Label this document “Appendix II – Long-Term Strategic Plan.” If disparities are not indicated in the study, then a strategic plan on programs, lending, and branching patterns should be submitted. Label this document “Appendix II – Long-Term Strategic Plan”.**

**All depositories are required to respond per Chapter 19-200 as referenced:**

*“Each depository shall also provide the City with a long-term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City.”*

## APPENDIX II

### **Wells Fargo Bank, N.A. Long Term Strategic Plan As Required by City Ordinance No. 100549**

Wells Fargo is pleased to submit its Long Term Strategic Plan as requested by the city Treasurer's Office, 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 consistently strives to earn 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 our customers' needs and help them succeed financially. We will 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 Bank, N.A., remains committed to consistently improving the ways we serve all City residents. We 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 few key focus areas.

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**

Below is a comparison of Home Purchase Loan Penetration as indicated in the Lending Study conducted by Econsult for 2020 and 2021.

<b>Home Purchase Loans, Philadelphia</b>	<b>2020 Wells Fargo Penetration %</b>	<b>2021 Wells Fargo Penetration %</b>	<b>2020 All Depositories Penetration %</b>	<b>2021 All Depositories Penetration %</b>
<b>Loans to African Americans</b>	<b>9.0</b>	<b>14.1</b>	<b>18.7</b>	<b>19.5</b>
<b>Loans to Hispanics</b>	<b>13.6</b>	<b>10.0</b>	<b>9.9</b>	<b>11.6</b>
<b>Loans Minority Tracts</b>	<b>29.9</b>	<b>28.9</b>	<b>50.3</b>	<b>45.6</b>
<b>Loans LMI Borrowers</b>	<b>30.5</b>	<b>32.5</b>	<b>52.9</b>	<b>51.8</b>
<b>Loans LMI Tracts</b>	<b>23.7</b>	<b>22.5</b>	<b>40.5</b>	<b>35.2</b>

- Wells Fargo’s home purchase loan penetration to African Americans increased to 14.1% in 2021 from 9.0% in 2020. There was also a 2.5% increase in home purchase loans to LMI Borrowers. We continue to work with nonprofit housing counseling organizations to identify opportunities. If you include loans we originated and loans purchased from other lenders in the Philadelphia Metro Division in from 2011-2020, we were the largest provider of home purchase loans overall, and to Black, Hispanic and Asian home buyers, to low- and moderate-income home buyers, and to the purchasers of homes in low- and moderate-income neighborhoods.
- Wells Fargo’s home loan share nationwide and in Philadelphia has declined significantly since 2012 as the market stabilized following the housing crisis and we made the strategic decision to exit specific market segments.

Note: Some factors accounting for the decline include our strategic decisions to exit specific lending channels and business arrangements, including exiting the wholesale/broker channel and terminating joint ventures with builders, real estate firms and other referral sources.

In addition, Wells Fargo—along with most bank lenders—has pulled back substantially from the origination of government loans (FHA and VA, primarily) due to a variety of potential risks related to the origination and servicing of those loans.

When looking at longer-term mortgage lending volume or total fundings of mortgage loans in the Philadelphia area, we remain the leading provider of home loans in the region.

Over the most recent decade for which complete HMDA data is available (2010-2020), Wells Fargo was the largest originator in the Philadelphia Metro Division to Black, Hispanic and Asian home buyers, to low- and moderate-income home buyers, and to the purchasers of homes in low- and moderate-income neighborhoods.

## **HOME REFINANCE**

- Wells Fargo's Home Refinance loans to African Americans in 2021 was 18.9%, a 7.8% increase from 2020 which was 11%.
- 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.

**HOME PURCHASE AND HOME 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.

- Philadelphia is one of eight markets where we launched our Dream. Plan. Home closing cost credit, which provides qualified low- and moderate- income home buyers with up to \$5,000 towards non-recurring closing costs making it easier for them to purchase a home.
- Wells Fargo committed \$150 million to lower mortgage rates and reduce the refinancing costs to help minority homeowners further benefit from refinancing through our Special Purpose Credit Program, launched in April 2022. This program goes beyond the usual lending programs and puts the company's own money to work refinancing minority families' homes.
- In June 2022, the Wells Fargo Foundation announced Growing Diverse Housing Developers, a \$40 million grant initiative to create more affordable homes and increase racial equity in the housing development sector. Three of the participating developers are active in the Philadelphia metro area.
- Wells Fargo African American Commitment: In February 2017, Wells Fargo announced its goal to advance responsible homeownership includes \$60 billion in lending to create a projected 250,000 homeowners in 10 years. The company's commitment is a direct action to help address the lower homeownership rates in the African American community and follows Wells Fargo's announcement to address Hispanic homeownership rates in 2015. Wells Fargo's commitment seeks to:
  - Lend \$60 billion to qualified African American consumers for home purchases by 2027.
  - Increase the diversity of the Wells Fargo Home Lending sales team, and
  - Support the effort with \$15 million to support a variety of initiatives that promote financial education and counseling over the next ten years.
- Work with HUD approved non-profit Homebuyer counseling agencies and conduct First-Time Homebuyer workshops.
- 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).
- 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.
- 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.

## **FINANCIAL HEALTH**

- Wells Fargo's Banking Inclusion Initiative is a 10-year commitment to accelerate the access of unbanked communities to affordable mainstream accounts and have easier access to low-cost banking. We're focusing on Black and African American, Hispanic, and Native American/Alaska Native families, who account for more than half of America's 7 million+ unbanked households. We're also assisting those who are underbanked and underserved, who may have a bank account yet still use high-cost, non-bank services.
- Wells Fargo partnered with the HBCU Community Development Action Coalition to launch Our Money Matters at Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs), a comprehensive financial wellness initiative for college students of color, who disproportionately face greater financial challenges and college debt. This initiative aims to equip students with much needed financial capability skills and access to support services. The program is now live at 14 HBCU's.
- 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 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.
- In 2020, Wells Fargo launched Clear Access Banking, a new low-cost and checkless bank account with no overdraft or insufficient funds fees, which makes it easier for customers to manage their money, make payments, and save.
- We expanded access to cost-free, virtual financial coaching and counseling, direct cash assistance, and other financial resources in collaboration with nonprofits such as Operation Hope, the National Disability Institute, and the National Foundation for Credit Counseling.

## **SMALL BUSINESS LENDING**

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

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

Other Small Business Programs:

- Wells Fargo committed to donating all gross processing fees from the Paycheck Protection Program (PPP) during 2020 and created a roughly \$420 million small business recovery effort called the Open for Business Fund. We are one of the only major banks to donate all fees back, without subtracting costs or expenses.



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. Wells Fargo entire suite of small business products can be found within the attached links:

[Small Business - Loans and Lines of Credit - Wells Fargo](#)

[SBA 7\(a\) and SBA 504 Loans & Lending Options | Wells Fargo](#)

[Small Business – Product List – Wells Fargo Business Lines of Credit](#)

[Small Business – Product List – Wells Fargo Business Credit Cards](#)

Wells Fargo (NYSE: WFC) introduced Wells Fargo Works for Small Business, a broad initiative to deliver resources, guidance and services to help more small businesses achieve financial success.

### **COMMUNITY PARTNERSHIPS SUPPORTING SMALL BUSINESSES**

Wells Fargo has provided grants and investments to the following organizations and expects to continue our partnership to support Small Business Growth in the City of Philadelphia.

**The Enterprise Center** - As part of the HOPE, USA campaign, Wells Fargo donated \$1 million to The Enterprise Center to help revitalize West Philadelphia’s commercial corridor ahead of the 2021 holiday shopping season, and an additional \$250,000 ahead of the city’s 2022 Juneteenth parade.

**Community First Fund** - To accelerate the growth of diverse small businesses and job creation in Philadelphia, the Wells Fargo Foundation through its Diverse Community Capital (DCC) program awarded \$3 million to local nonprofit Community First Fund. The grant funding will enable Community First Fund, which has been lending throughout Pennsylvania since 1992, to expand its investments to diverse-owned small businesses in the Kensington neighborhood of Philadelphia, helping to sustain more than 350 local jobs and bolster local neighborhoods.

**Greater Hispanic Chamber of Commerce** – 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.

- The Chamber has been provided with a \$40,000 grant to support their outreach and work in the small business sector primarily Hispanic business owners.
- The Greater Hispanic Chamber of Commerce was provided a \$20,000 grant from the National Hispanic Chamber of Commerce through support from Wells Fargo.

**Urban League of Philadelphia** – The Entrepreneurship 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 events helping homeowners having challenges with their mortgages.
- An annual small business event is scheduled during Small Business Week each year in June at the Entrepreneurship Center, historically drawing 100-200 small business owners from the City.

- Wells Fargo Foundation provided support to the Urban League in the amount of \$25,000 to support small business activities in the Greater Philadelphia community.

**Philadelphia Industrial Development Corp. (PIDC)** – Wells Fargo’s Diverse Community Capital Program in combination with the Wells Fargo Regional Foundation provided PIDC with a combined \$1.2MM investment to support PIDC’s small business lending activity. The investment will help expand PIDC’s small business lending activity and foster growth and development of minority and women-owned business across Philadelphia.

**VestedIn** – Funded by Wells Fargo and designed by VestedIn, Entrepreneur Works and Black Squirrel, the Beauty Salon & Barbershop Entrepreneur Accelerator Program provides training, technical business assistance, mentorship, and networking resources for beauty salon and barbershop owners to position their businesses for growth and overall sustainability.

**Women’s Opportunity Resource Center (WORC)** – Wells Fargo provided WORC with a \$350,000 grant to support its lending activity to diverse small businesses within the city of Philadelphia.

### **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 in areas where community development corporations and empowerment zones have been established. Wells Fargo distributed 44 total loans to borrowers in the nine neighborhoods which was three more than it offered to the area in 2020.