Testimony of John Stumpf
President & CEO
Wells Fargo & Company
House Financial Services Committee
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Mr. Chairman and Members of the Committee, I'm John Stumpf, President and CEO of Wells Fargo & Company.

Our company has been serving customers for going on 158 years. We're an American company. Virtually all our businesses and team members are in the U.S. We're in all 50 states.

We are a community bank. We have 281-thousand team members – who earn fair and competitive wages and benefits, including health care. They live and work in thousands of communities across North America – from big cities like Los Angeles and Miami to small towns like Spearfish, South Dakota and Alice, Texas. I've been a community banker with our company for almost three decades. I know what it's like to be on the teller line and on the banking floor working with our customers. I personally have served customers in cities and towns across Minnesota, Colorado, Texas and now California.

Across the country many of our customers are facing difficult times. Now, as always, we want to do what's right for them. We're very proud that Wells

Fargo has been open for business for our customers. We never stopped lending. In the last 18 months – when many of our competitors retrenched – Wells Fargo made $540 billion in new loan commitments and mortgage originations. They are as follows:

- **$63 billion commercial/commercial real estate**
- **$123 billion consumer and small business**
- **$354 billion home mortgages**

Last quarter alone, we made $22 billion in new loan commitments and $50 billion in mortgages – a total of $72 billion in new loans. That's almost three times what the U.S. Treasury invested in Wells Fargo. With the merger, we have reopened lines of credit to some Wachovia customers who previously had been denied credit.

We do business and lend money the old-fashioned way – responsibly and prudently. As a result, we earned a profit last year of almost three billion dollars. We have not used any of the government investment for dividends, bonuses, or compensation of any kind – nor will we. We have the highest credit ratings currently given to any bank in the country.

We understand the very important responsibility that comes with receiving public funds. We are always careful stewards of our shareholders' money. The investment by the government is being used in the same prudent way. We have

never been wasteful. We spend money to support the business and make a profit for our investors. We are frugal. Last year, our overall corporate expenses actually declined one percent while our revenue rose over seven percent.

We said from the start that we'll use the government's investment to help make more loans to credit-worthy customers. We said we would use the funds to find solutions for our mortgage customers who are late on their payments or facing foreclosure – so they can stay in their homes. We also said we would report on our progress. We have done just that.

We recently announced our first dividend payment to the taxpayers for their investment in Wells Fargo preferred stock. Our first dividend payment on their investment was more than a third of a billion dollars. We're Americans first and bankers second – so we see this taxpayer investment, first and foremost, as an investment in the future economic growth of our country. We're proud to be an engine for that growth.

Last quarter we made $22 billion in new loan commitments. Our average outstandings – on a linked quarter annualized basis were:

- **Student loans, up 12 percent**
- **Agricultural loans, up 14 percent**
- **Middle Market commercial loans, up 14 percent**
- **SBA loans, up 11 percent**

- **Commercial real estate loans, up 15 percent**

Now, as to mortgages. Last year we made $230 billion in mortgage loans. That made homeownership possible for more than half a million families. It also includes refinancing almost a half a million existing loans. That lowered mortgage payments for families across our country. At year-end, we had $71 billion of mortgages still in process – up threefold annualized from the third quarter – a sign of strong momentum for 2009.

Our mortgage lending is built on solid underwriting and responsible servicing. Because of that, 93 of every 100 of our mortgage customers are current on their mortgage payments. That performance is consistently better than the industry average.

In 2008, we nearly doubled our team dedicated exclusively to helping customers stay in their homes – which improved our outreach. Because of that, we were able to contact 94 of every 100 customers who are two or more payments past due on their mortgages. Of those we contacted, we were able to provide solutions for seven out of ten. This resulted in our being able to deliver 706,000 solutions to help Americans avoid foreclosure during the last year and a half. That is 22 percent of the 3.2 million solutions reported by the industry. Last quarter alone, we provided 165,000 solutions to our mortgage customers. That was three times as many as the last quarter of 2007.

When we modify a loan, about seven of every ten customers remain current or less than 90-days past due, one year later. There is, however, much more work to be done. We continue to invest in more people and systems to help even more at-risk homeowners.

Across the country, we're partnering with real estate agents, cities and nonprofits to speed up the selling of bank-owned properties so they can become, once again, owner-occupied.

For all these reasons, we believe the Treasury's investment of taxpayer dollars in Wells Fargo has been – and will continue to be – a wise and profitable investment – for our neighborhoods, for our country, and for our economy.

Mr. Chairman and Members of the Committee, thank you and I would be happy to answer questions.

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