

Wells Fargo Premiere Asset Services REO Overview

Community Development

Tyler Smith
REO Manager

April 2011



Premiere Asset Services

Premiere Asset Services (PAS) is the division of Wells Fargo Home Mortgage that manages and markets Real Estate Owned (REO) properties throughout the US.

What do we do?

- PAS provides REO management for banks, mortgage companies, and private investors who wish to capitalize on our expertise and economies of scale to manage their REO's.
 - Over 80% of all REO's managed by PAS are serviced for others and are not owned by Wells Fargo.
 - PAS does not handle REO management for FNMA, FHMLC, FHA, VA, or WF Trustee properties.
 - Properties are considered for demolition and/or donation on a case by case basis.

How does PAS allow non-profits a “First Look” at REO properties?

- NSP Recipients can sign up through the National Community Stabilization Trust (NCST) to obtain a “First Look” at properties before they are listed.
- Public Funds recipients, who are not participating with the NCST, can obtain an exclusive first look by contacting PAS directly.

Premiere Asset Services – Discounted & Donated Properties

NCST First Look Program

- NSP Recipients can sign up through the NCST to obtain a “First Look” at properties before they are listed.
- PAS provides lists of properties to the NCST that are available for a “First Look”. Buyers will indicate which properties they are interested in purchasing, and will be given discounted pricing.

Public Funds First Look Program

- All PAS REO properties are uploaded to our website (REO.WellsFargo.com) and made available for consideration to Public Funds buyers prior to being listed.
- Before properties are listed, Public Funds buyers can email PASPublicFunds@wellsfargo.com to obtain a first look.
- Properties requested by Public Funds buyers will be discounted and withheld from listing to prevent a multiple offer situation.

Donations Program

- PAS Asset Managers identify donation eligible properties in current portfolio.
- PAS partners with the WFHF, who vets non profit organization to determine their eligibility and capacity.
- PAS Operations will conduct closing with a title company to convey clear title to the recipient.

Program to Date Discounted and Donated Properties

- ❑ 1885 Discounted sales
 - 921 through the NCST
 - 964 through Public Funds Process

- ❑ Top 5 states for Discounted Properties (70% of volume)
 - CA 527 Properties
 - FL 435 Properties
 - NV 186 Properties
 - AZ 85 Properties
 - NY 70 Properties

- ❑ 611 Donations Completed
 - Significant upward trend
 - 170 in 2009, 295 in 2010, and 146 YTD



Discounted and Donated Properties in Cleveland

❑ NCST Sales

- 2009: 1 in Ohio, 0 in Cleveland
- 2010: 11 in Ohio, 0 in Cleveland

❑ Public Funds Sales

- 2009: 5 in Ohio, 1 in Cleveland
- 2010: 25 in Ohio, 3 in Cleveland
 - Cleveland Housing Network City of East Cleveland, Homecorp, Inc.

❑ Donations

- 2009: 4 in Ohio, 4 in Cleveland
 - Slaving Village Development, Cleveland Housing Network, Collingwood and Nottingham Villages Development Corp, Detroit Shoreway Community Development Organization
- 2010: 23 in Ohio, 7 in Cleveland
 - Slavic Village Development, Land Assembly for Neighborhood Development, Detroit Shoreway Community Development, Brighter Days, Another Chance of Ohio
- YTD: 12 in Ohio, 5 in Cleveland

Historical Data for Cleveland and Ohio

- ❑ 2009
 - 77,733 properties sold nation wide
 - 2345 properties sold in OH
 - 214 properties sold in Cleveland

- ❑ 2010
 - 62,250 properties sold nation wide (down 20%)
 - 1734 properties sold in MO (down 26%)
 - 103 properties sold in Cleveland (down 52%)

- ❑ Current REO Inventory*
 - ❑ 25,692 properties nation wide (down 3%)
 - ❑ 635 properties in OH (down 15%)
 - ❑ 64 properties in Cleveland (up 14%)

* Data as of 4/6/2011 and 4/6/2010

Homeowner Priority Program

- If the NSP/NCST passes on a property during the First Look program, PAS has instituted a process to give NSP buyers a second chance to purchase the property after it has been listed.
- **Goal:** To give NSP buyers (including NSP DPA), municipalities, non-profit organizations and owner-occupants first priority to submit offers for consideration
- PAS has adopted the following listing guidelines:
 - Days 0-7: No offers will be accepted/negotiated the first 7 calendar days a home is listed. We want REO's to have exposure to the market and potential buyers.
 - Days 8-12: PAS will accept offers on the property ONLY from NSP buyers, non-profits, and owner-occupants.
 - Days 13+: PAS will accept all offers from all buyers.

The Visions & Values of Wells Fargo

Our goal for social responsibility:

“Our responsibility goes far beyond protecting our customers’ assets. We’re responsible for being leaders to promote the long-term economic prosperity and quality of life for everyone in our communities. If they prosper, so do we. There’s never been a thriving bank in a struggling community.”

-- John G. Stumpf, Chairman, President & CEO

