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February 15, 2010

Attention: Mr. Paul Sanford  
Executive Secretary, Federal Financial Institutions Examination Council  
L. William Seidman Center  
Mailstop: D 8073a  
3501 Fairfax Drive  
Arlington, VA 22226-3550

Re: FFIEC  
Docket Number FFIEC-2009-0001

Ladies and Gentlemen:

On December 16, 2009, the Federal Financial Institutions Examination Council ("FFIEC") published proposed Reverse Mortgage Products: Guidance for Managing Compliance and Reputation Risks ("Guidance"). In Docket No. FFIEC-2009-0001 of the Federal Register, the FFIEC requested written comments on the Guidance.

Wells Fargo & Company and its affiliates ("Wells Fargo"), including Wells Fargo Bank, N.A., and Wachovia Bank, N.A., appreciate the opportunity to provide written comments in response to the FFIEC's invitation. Wells Fargo is a leading originator and servicer of residential mortgage loans, including reverse mortgages offered under the Federal Housing Administration's ("FHA") Home Equity Conversion Mortgage ("HECM") program, and is one of the nation's leading financial services companies. Wells Fargo is committed to reverse mortgage lending that is prudently underwritten and further supported by fair and responsible lending principles. Wells Fargo strongly supports each of the five areas contained in the Guidance and applauds the FFIEC's efforts to assist financial institutions in managing the compliance and reputation risks related to reverse mortgage products. Wells Fargo stands behind the objectives that the FFIEC wants to achieve.

Wells Fargo provides comments below on each of the five FFIEC guidance areas:

**Guidance 1: Communications with Consumers**

Wells Fargo strongly supports customers receiving the information they need to make informed choices before proceeding with a reverse mortgage. Both lenders and consumers benefit when a consumer makes a well-informed choice. Wells Fargo requests that the FFIEC clarify what types of "promotional materials" will be subject to the Guidance and whether all of the information items apply in all circumstances. For instance, does the FFIEC intend the Guidance to apply to radio and television advertisements in the same manner as written materials? If so, it may not be practical to include all of the information from the 10-item proposed list in all advertising media.

It would also be helpful if the FFIEC clarified that there is a relationship between the level of detail to be provided by a financial institution to a consumer and the state of the consumer's consideration of the reverse mortgage product. For example, some of the level of detail may be confusing to a consumer who has not yet received counseling or has not had an initial discussion with a lender about a reverse mortgage. For instance, would a countertop take-away brochure require the same level of detail as materials provided to the consumer after an initial meeting with the Lender?

Finally, with respect to the proposed 10-item list, the fourth item of information proposed by the FFIEC in the Guidance includes "lump sum and other disbursement options and their possible implications." Wells Fargo respectfully requests the FFIEC provide clarity or examples on what is meant by "possible implications." For example, the "Compliance and Reputation Risks" section of the Guidance mentions that "some payment options may adversely affect a borrower's ability to qualify for needs-based public benefits, such as Supplemental Security Income." We would appreciate clarification of the level of information lenders would be expected to provide on this topic, which lies outside our primary expertise, and whether a notice to seek the assistance of a qualified advisor with respect to this issue would be sufficient. The 10-item list also includes "alternatives to reverse mortgage products that are offered by the institution and may address the homeowner's needs." Wells Fargo respectfully suggests that providing such information to the customer may be best suited in a conversation between the customer and the lender that is tailored to the customer's specific needs, as opposed to being addressed in more generic terms in promotional materials.

#### **Guidance 2: Qualified Independent Counseling**

Wells Fargo strongly supports independent counseling for prospective reverse mortgage applicants.

#### **Guidance 3: Avoidance of Potential Conflicts**

The Guidance states that "reverse mortgage lenders should adopt clear written policy and internal controls stating that neither the lender nor any broker will require the borrower to purchase any other financial or other product from the lender in order to obtain the reverse mortgage." The Guidance further states that "reverse mortgage lenders should adopt clear policies so that originators do not have an inappropriate incentive to sell other products that may appear to be linked to the granting of the mortgage."

Wells Fargo supports such Guidance, however we respectfully seek clarification of the definition of "other financial or other product." Wells Fargo suggests that "financial or other products" should not include hazard insurance, title insurance or other settlement service products that are customarily required in order to obtain a mortgage loan. Wells Fargo additionally suggests that such "products" should not include traditional financial products such as checking and savings accounts offered by the financial institution, which the reverse mortgage borrower may desire to utilize to deposit their reverse mortgage proceeds, and which provide a bona fide value to the borrower. Lastly, with respect to the avoidance of potential conflicts of interest guidance, Wells Fargo respectfully suggests that the FFIEC clarify that the prohibition does not prohibit the institution from merely having an affiliation with entities or

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divisions that may offer such products and services in transactions other than reverse mortgages.

**Guidance 4: Policies, Procedures, and Internal Controls**

Wells Fargo supports the Guidance on policies, procedures, and internal controls.

**Guidance 5: Third Party Risk Management**

Wells Fargo supports the Guidance on third party risk management.

Wells Fargo thanks the FFIEC for the opportunity to provide comments on the Guidance. We strongly support the implementation of consumer protection practices associated with lending activities, including those associated with reverse mortgage products. If you have any questions or would like to discuss our comments, you can contact me at (515) 213-4572.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D. Moskowitz', followed by a long horizontal flourish.

David L. Moskowitz  
Deputy General Counsel  
Wells Fargo & Company