

## Servicing

---

**Overview**

Loan servicing administers the mortgage loans after closing and through payoff or transfer to another servicer. This is the longest phase of the loan process since customers may have their loans for many years. This document provides a high-level description of the servicing function.

---

**Customer  
Inquiries and  
Requests**

After the customers have closed on their loans, Wells Fargo offers a centralized place for them to call for service and questions. The customer service representatives are able to answer many of the inquiries immediately over the phone. There are some circumstances that require additional research. In those instances, the customer will be called back or sent a letter with the information based on the customer's preference.

Customer service representatives handle customer inquiries such as:

- Loan payoff requests
- Payment questions
- Account balance information
- Requests for amortization schedules (calculation of principal and interest payments over a period of time; repayment of a mortgage debt with equal periodic payments of both principal and interest, calculated to retire the obligation at the end of a fixed period of time)
- Address changes
- Escrow questions
- Tax questions

As you learned in the origination phase of the loan process, our goal is to create customers for life. If the customer is satisfied in the last stage of the home buying experience, then Wells Fargo Home Lending has the opportunity to continue servicing this customer and offer them additional products. Our focus on customer service is a key component.

---

*Continued on next page*

---

## Servicing, Continued

---

### Loan Administration

There are many administrative tasks needed to service our customers. These functions are part of the seamless customer service provided by Wells Fargo Home Lending. In fact, many of these tasks take place behind the scenes without much involvement from the customer.

Some of the tasks include:

- Collection of monthly mortgage payments
  - Paying property taxes
  - Paying hazard and mortgage insurance premiums
  - Completing escrow analysis (the periodic examination of escrow accounts to determine if current monthly deposits will provide sufficient funds to pay taxes, insurance and other bills when due. Adjustments to the amount of escrow funds collected monthly are made accordingly)
  - Preparing and recording payoffs
- 

### Default

#### Default

There are circumstances when the customer falls behind in making monthly payments. Our goal is to help customers regain financial stability and hold onto the dream of home ownership. We create customers for life. We're proud of our continued commitment of making mortgage loans available to customer across the entire credit spectrum and diverse communities. Our practices have contributed to having the well-below industry average of foreclosed properties. Wells Fargo has played a lead role in creating new industry-wide solutions for at-risk customers in their homes. Our customers are put into contact with the Collections department within Default.

#### Default - Delinquency

Collections assists customers in resolving past due amounts through various repayment and retention programs. The programs are designed to keep the customers in their homes and avoid foreclosure and further financial difficulties. Wells Fargo offers customers individualized solutions or, when available, broader industry solutions. These options are only to be discussed between the customer and a qualified representative in the appropriate Servicing department.

#### Default - Bankruptcy and Foreclosure

In instances of bankruptcy and/ or foreclosure, the Default department works to minimize our loss due to defaulted status. Throughout the default procedures, the customer's loyalty to Wells Fargo Home Lending is still a concern. Remember, we create customers for life. We work very hard to help customers avoid foreclosure. When foreclosure is unavoidable, we work diligently to protect property values in the community. We maintain foreclosed properties immediately upon legal permission to do so.