

Congress of the United States
House of Representatives

Washington, DC 20515

December 5, 2007

Mr. John Stumpf
CEO
Wells Fargo & Co.
420 Montgomery
San Francisco, CA 94104

Dear Mr. Stumpf:

The opportunity for homeownership has long been held as one of our nation's core values, but ongoing distress in the housing finance market has harmed the U.S. economy and threatened the homeownership opportunities of millions of Americans. Unless something is done now, these problems will likely worsen. As the leaders of the Capital Markets and Financial Institutions subcommittees of the Committee on Financial Services in the U.S. House of Representatives, we write therefore to express our support for your efforts to restructure the subprime mortgage loans held by American homeowners now potentially facing foreclosure. Towards this end, we ask that you notify us regarding any steps – legislative or otherwise – that the Congress can take to aid you in accomplishing this goal.

Specifically, it is our understanding that you are currently involved in discussions with the Administration to develop a broad, universal plan to stem foreclosure rates, and we thank you for your organization's leadership in this promising endeavor. As part of this public-private initiative, we strongly support steps by lenders to help those Americans facing foreclosure to restructure their loans and keep their homes. However, it should be noted that our call for assistance does not include those involved in fraudulent behavior, illegal immigrants, or so-called "flippers," who own investment properties that are not primary residences. Also, to the maximum extent possible, we want to rely on market-based solutions to this problem and limit the use of government funding to address this need.

In addition, as you work to finalize a plan to modify the mortgages at risk for foreclosure, please consider implementing reforms similar to Congressional proposals to modernize the Federal Housing Administration (FHA) program. Passed by the House with bipartisan support and leadership during both the 109th and 110th Congress, these proposals would decrease premiums, extend 30-year loans to 40 years, and promote strong underwriting standards.

Moreover, we urge you to couple restructuring efforts with financial literacy education whenever possible. Americans restructuring their home mortgages may well be making the largest financial decision of their lives. As a result, they are in a unique position – often called a “teachable moment” – to learn strong money management skills and form sound financial habits for the future. We should embrace this opportunity, not just to restructure a mortgage, but to impart financial guidance and knowledge that will pay a lifetime of dividends.

In sum, we believe that immediate action is necessary to stave off future foreclosures and protect the U.S. economy from greater disruptions. We stand ready to provide leadership in the Congress on these important matters. Accomplishing these goals is a win for borrowers, lenders, investors, communities, our economy, and many others. In advance, we thank you for your hard work to keep American homeowners just that — homeowners.

Sincerely,


Paul E. Kanjorski

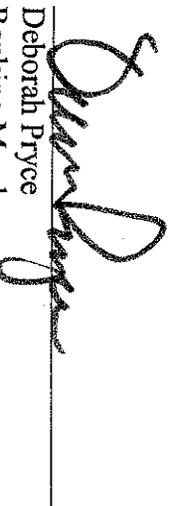
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Subcommittee on Capital Markets
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Carolyn B. Maloney

Chairman
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