ATTACHMENT A

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

CITY OF MEMPHIS and SHELBY COUNTY, Plaintiffs, v. WELLS FARGO BANK, N.A., WELLS FARGO FINANCIAL TENNESSEE, INC. and WELLS FARGO FINANCIAL TENNESSEE 1, LLC, Defendants.	Case No. 2:09-cv-02857-STA-dkv

DECLARATION OF DORIS DANCY

1. I, Doris Dancy, hereby attest that I am over the age of eighteen and I am competent to testify with respect to the matter below.

2. In July 2007, I was hired by Wells Fargo Financial ("Wells Fargo") as a credit manager. I worked in that capacity for Wells Fargo until January 2008 when I voluntarily left the company to seek other employment.

3. I worked at the branch office located at 5041 Park Avenue in Memphis for the entire time that I was employed at Wells Fargo.

D.D.

4. As a credit manager, my job was to find as many potential borrowers for Wells Fargo as possible. I spent almost all of my time calling people from a list of "leads" provided to me. We were put under a lot of pressure to call these individuals repeatedly and encourage them to come into the office to apply for a loan.

5. Most (eighty percent (80%) or more) of the leads on the lists I was given were African American. I know this both from meeting these individuals, and from talking with them on the telephone. The people on the list of leads did not represent a random cross-section of the people who lived in the area around the branch office, because our office was located in an area where a lot of white people lived.

6. I know that Wells Fargo got many of these leads from lists of their previous borrowers who had car loans, home equity loans, or credit cards with Wells Fargo. We were supposed to try and refinance these individuals into new, expensive subprime loans with high interest rates and lots of fees and costs. The way we were told to sell these loans was to explain that we were eliminating the customer's old debts by consolidating their existing debts into one new one. This was not really true – we were not getting rid of the customer's existing debts; we were actually just giving them a new more expensive loan that put their house at risk.

7. Many of the leads had files that contained a fair bit of information about the borrower. I remember that my aunt, who had a home equity loan with Wells Fargo, once showed up on a call list in my office. When I typed her name into my computer, I was able to see all kinds of information about her, including the value of her home, her credit score, place of employment, and address.

8. Our district manager pressured the credit managers in my office to convince our leads to apply for a loan, even if we knew they could not afford the loan or did not qualify for the

G.D.

loan. I was pressured into trying to get customers with credit scores as low as 504, and debt-to-income ("DTI") ratios of well above 50%, to apply for loans that I knew they could not afford and would not be able to pay back. I knew all this information about the customer before I even called them. I thought this was an unethical and dirty practice because I knew it was going to cause folks to lose their homes. To my shock, many of the people whom I saw with very bad credit scores and high DTI ratios walked out of the office with approved subprime loans at interest rates of 11% or 12% or even 13%. Some interest rates went as high as 17%. I would shake my head in disbelief and ask myself, "how could that happen?"

9. I was particularly upset at seeing customers with low credit scores and debt-to-income ratios above 50% being put into high interest rate subprime loans. I know that Wells Fargo violated its own underwriting guidelines in order to make loans to these customers. According to Wells Fargo's own rules, loans were not supposed to exceed a DTI ratio of 50%, and credit scores were supposed to be at least in the 580 to 600 range.

10. We were told to make as many loans to a customer as we could. Even if we were able to get the customer to apply for a home equity loan, we were also supposed to try to sell them a car loan. I saw customers placed in car loans with very high interest rates. Some of the car loans were at 100% LTV (no down payment) and the customers were given cash back on top of that. And in some cases, even after consolidating a customer's existing debt (including credit card debt) with a new high interest rate home equity loan, we were told to give the customers a *new* Wells Fargo credit card with a high interest rate on top of all the other loans. I thought this was a particularly dirty practice because it meant the customer was destined to get behind once again with revolving debt – this time from the Wells Fargo credit card – and now their home would be put at risk.

11. Another practice that I thought was especially unethical was the use of "live" draft checks. Wells Fargo would mail checks in the amount of $1,000 or $1,500 to leads. Once these checks were deposited or cashed, they instantly became loans with Wells Fargo at very high interest rates. Individuals who cashed these checks became an instant "lead" target for a home equity refinance loan, which of course would end up placing the borrower's home at risk.

12. Although I never witnessed it myself, I heard from other employees that some branch managers falsified information in order to get customers to qualify for subprime loans.

13. Many customers were told that they needed to purchase a Home/Auto Security Plan ("HASplan"), which added extra costs on to their loan. Wells Fargo told us to do this because it made the bank more money. The customers were not told that the HASplan was actually optional, and that it offered the borrower no additional value.

14. Many of the mostly African American customers who came into the office were not experienced in applying for loans. They did not understand a lot of the terms of the loans that managers wanted us to get them to apply for. Our district manager told us to conceal the details of the loan. He thought that these customers could be "talked into anything." The way he pressured us to do all of these unethical things was as aggressive as a wolf. There was no compassion for these individuals who came to us trusting our advice.

15. I tried to do right by my customers and would be honest with them about what they were getting themselves into. My district manager did not like this. He used the bonus system to pressure me to make loans that I thought should not be made. I received only one bonus, and that was for just $175. I know other managers made much bigger bonuses than this.

16. After six months working at Wells Fargo I decided that the practices were too unethical for me to participate in any longer. I hated to go to work, and found myself crying at

the end of the day. In January 2008 I voluntarily left Wells Fargo to find different employment where I could feel good about what I was doing.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

EXECUTED WITHIN THE UNITED STATES ON: February 17, 2010

BY: Doris Dancy

Doris Dancy

D.D.

ATTACHMENT B

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

CITY OF MEMPHIS and SHELBY COUNTY, Plaintiffs, v. WELLS FARGO BANK, N.A., WELLS FARGO FINANCIAL TENNESSEE, INC. and WELLS FARGO FINANCIAL TENNESSEE 1, LLC, Defendants.	Case No. 2:09-cv-02857-STA-dkv

DECLARATION OF MICHAEL SIMPSON

1. I, Michael Simpson, hereby attest that I am over the age of eighteen and I am competent to testify with respect to the matter below.

2. I was hired by Wells Fargo Financial ("Wells Fargo") in November 2002 as a credit manager. After approximately a year and a half I was promoted to branch manager. I worked in that capacity for Wells Fargo until January 2008 when I voluntarily left the company to seek other employment.

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3. I worked at the branch office located at 5041 Park Avenue in Memphis for the entire time that I worked at Wells Fargo.

4. I decided to go into the lending business because I wanted to help people and I thought this would be a good way to do it. Around the time that I was promoted to branch manager, I began to feel a lot of pressure from managers above me to participate in what I thought were unethical lending practices. I resisted this pressure as best I could, and in many instances refused to engage in practices that I thought were wrong. I know that others in the company went along with what the management wanted and participated in what I considered were unethical and deceptive lending activities.

5. We generated new potential customers by cold calling people from lists of "leads." Leads were generated by buying lists of customers who had financed the purchase of goods, like furniture or jewelry, at area stores. We would contact these individuals to see if we could get them to refinance their loans with us. We were encouraged to try and get these customers to consolidate all of their existing debt – credit card, auto loans, and other small loans on product purchases – with a new subprime loan through Wells Fargo. In many cases these new loans would be done through a home equity product that used the borrower's house as collateral for the loan.

6. The leads were inputted in a system called "E-leads." This was an electronic database of previous or existing Wells Fargo customers who already had a credit card, an auto loan, or some other type of loan with us. We would cold call these customers as well for the purpose of trying to get them to refinance their loans and consolidate their debt.

7. Credit managers were instructed to pursue customer leads with credit scores in the 500 to 680 FICO range, and for whom there was file information about the value of their house.

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The assumption was that these would be ideal subprime loan customers. Based on my experience and observation, I would not be surprised if the customer leads in this FICO range were disproportionately African American.

8. There were a number of loan products and practices that I did not like and thought were wrong. While I was at Wells Fargo, the company was very aggressive about pushing an auto loan product that permitted the customer to borrow up to 160% of the car's value (e.g., 160% loan-to-value ratio or "LTV") at interest rates as high as 24%. I felt this product offered no benefit to the customer, and I refused to offer it. My objection to this product may have prevented me from being promoted above branch manager. We would later refinance these extremely high interest rate car loans at marginally lower subprime rates, many times using the borrower's house as collateral. This, of course, put the borrower's house at risk if the borrower got behind on loan payments.

9. I know that some Wells Fargo managers falsified the mileage on car loan applications so that the loan would be approved. This was done by listing the mileage on the car as lower than it actually was, and putting that false information in the loan file. This allowed the car loan to be both approved, and approved for a larger loan amount. Managers did this because they could get a bigger bonus if they completed more car loans. Twenty to thirty percent of the upper management (branch managers and district managers) knew that mileage records were being falsified. They just turned the other way. I know that one of my district managers knew that this was going on.

10. Wells Fargo was very aggressive in its mortgage lending. We were encouraged to make 110% LTV loans to customers with 680 FICO scores with interest rates between 10 and 13%. Debt-to-income ("DTI") ratios for these borrowers went as high as 55%. Some of our

second lien loans allowed LTVs as high as 132%. With credit profiles like this, it was not surprising to me that many borrowers would eventually default on their loans, given their existing debts. Wells Fargo turned a blind eye and made the loans anyhow. Often it was not just a matter of consolidating the borrower's existing debts and putting their house at risk, the sales process also involved jamming new debt on the borrower by getting them to take cash out or giving them a new credit card. In my view, this was like giving an alcoholic a beer. Wells Fargo did it because the loans were very profitable. We made an automatic 4 points (or four percent of the loan amount) as a fee at the time of closing.

11. My district manager instructed us to run every loan with as many features as possible, no matter what. This meant more profit for the company on each loan we made. For example, we were instructed to add the Home/Auto Security plan ("HASplan") on every car loan. This was a gimmick product and a rip-off. A large portion of the cost of the HASplan was profit for Wells Fargo. Managers were instructed to tell the customer that the HASplan came with the loan, when the truth was it was both optional and an unnecessary expense for the borrower.

12. We were also instructed to sell insurance plans, such as life and health insurance, with the loans we made. There was a lot of pressure to sell these plans, regardless of whether the customer needed them or not. I objected to the fact that many of these plans were pushed on customers who already had perfectly good insurance. Management made clear that branch managers would not advance unless they aggressively pushed these insurance plans on every customer.

13. I told my team to disclose all fees that the customer would have to pay at closing on the loan. I know, however, that managers were encouraged to tell customers that there were

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no out-of-pocket fees, and no closing costs. Of course, this was not true. Many loans had an automatic fee of 4 points, or 4% of the loan amount, attached as a closing cost. This was highly profitable for Wells Fargo.

14. Credit managers and assistant managers were encouraged to tell customers with high interest rate loans that they should not worry because they could apply to refinance their loan later at a lower rate. This practice could be very deceptive.

15. Managers, including my district manager, instructed us to push "package deals." This meant, for example, that we were supposed to have the paperwork for a new high interest rate Wells Fargo credit card all done and set to go at the time we closed the loan. Then we were to tell the customer at closing that they had "qualified" for a "preferred line of credit" to encourage them to sign up for the card.

16. I know that some managers falsified information in the loan files, such as income documentation, in order to get loans approved. I have personal knowledge of managers who participated in this type of fraud.

17. From the time I came to Wells Fargo until about 2007, the company targeted customers in the 500 to 600 FICO range for "draft checks." These were checks that were mailed directly to customers, and once cashed, became a loan at rates as high as 29%. Cashing the check allowed us to identify the individual. We would then target these individuals for refinance loans at new, marginally lower subprime rates. These refinance loans would use the borrower's house as collateral for the loan and put the house at risk if the borrower could not make the payments on the loan. I know of instances where individuals other than the intended recipient cashed the check, leaving the unknowing addressee of the check on the line for the high interest loan.

18. The culture at Wells Fargo supported managers, like my district manager, who promoted aggressive and unethical practices. The culture was completely results driven. The attitude was that the ends justified the means. I think that money corrupted Wells Fargo, and clouded the judgment of upper management. Wells Fargo Financial was responsible for the majority of the bank's overall profits, and the enormous amounts of money coming in from subprime loans meant that unethical and dirty managers like my district manager were supported and rewarded.

19. I was constantly butting heads with my district manager. I told him repeatedly about the practices I objected to. He knew that loans were being falsified; and he knew that many of the aggressive practices he instructed us to follow were causing borrowers to get behind on their loans. Yet he still pressured us to engage in the most aggressive loan practices and threatened employees with their jobs if they did not do things his way. The bonus system was lucrative, so there was plenty of financial incentive to engage in high pressure and deceptive sales practices, even if one knew they were wrong.

20. I was not the only one who objected to Wells Fargo's practices. Mario Taylor worked under my supervision as a credit manager. He is a truthful and credible person whom I trust. I know he also refused to follow a lot of the practices that our district manager asked us engage in.

21. I left the company voluntarily in January 2008 to pursue other employment. At the time I left, I sent a lengthy email to much of the upper management discussing many of the concerns that I had about the Wells Fargo's practices and that I had raised with my district manager on many prior occasions.

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I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

EXECUTED WITHIN THE UNITED STATES ON: March 3, 2010

BY: ______________________________
Michael Simpson

ATTACHMENT C

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

CITY OF MEMPHIS and SHELBY COUNTY, Plaintiffs, v. WELLS FARGO BANK, N.A., WELLS FARGO FINANCIAL TENNESSEE, INC. and WELLS FARGO FINANCIAL TENNESSEE 1, LLC, Defendants.	)	Case No. 2:09-cv-02857-STA-dkv

DECLARATION OF MARIO TAYLOR

1. I, Mario Taylor, hereby attest that I am over the age of eighteen and I am competent to testify with respect to the matter below.

2. In June 2006 I was hired by Wells Fargo Financial ("Wells Fargo") as a credit manager. I worked in that capacity for Wells Fargo until February 2008 when I voluntarily left the company to seek other employment.

3. During the time I was employed by Wells Fargo I worked at three different locations in the Memphis area. I primarily worked at the Cordova office, which is located at

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1785 North Germantown Parkway. I also worked at the Quince office and at an office on Park Avenue.

4. As a credit manager, my job was to find as many potential borrowers as I could for Wells Fargo and get them to apply for a loan. Credit managers were given a list of what were called "leads." These were names of people we were supposed to call to encourage them either to come into the office so we could get them to apply for a loan, or to apply directly over the telephone. We were instructed to make as many as 35 calls an hour and to call the same borrower multiple times each day.

5. Many of the people who were on the list of leads were individuals who already had loans with Wells Fargo. Some had auto loans; some had other types of home equity loans. I was supposed to try and get them to refinance their existing loan. Other names that we pursued from the list of leads were individuals for whom we were trying to consolidate their existing debt into one loan, for which the collateral would be their home. In these cases, we would typically try to get a person who had credit card debt, a car loan or a student loan, and convince them to consolidate all of these debts into one subprime loan with Wells Fargo at a high interest rate. We would tell these borrowers that we were "getting rid of" their existing debts when in fact all we were really doing was giving them a new subprime loan, this time with their house at risk.

6. Approximately 80-90 percent of the leads I was given turned out to be individuals who were African American. Although I don't know exactly how Wells Fargo came up with the leads, I believe that Wells Fargo targeted African Americans for these subprime loans. The prevailing attitude was that African-American customers weren't savvy enough to know they were getting a bad loan, so we would have a better chance of convincing them to apply for a high-cost, subprime loan.

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7. While I was at the Cordova office, I was put under pressure from the branch manager to do all kinds of things that I thought were unethical or just plain dirty. I know that a lot of this pressure came directly from a district manager.

8. The branch manager wanted us to get as many people to apply for loans as possible, regardless of whether they were qualified for the loan or could pay back the loan. I was told to just "get the documents from them so we can send the deal up." This meant that many individuals got high priced, subprime loans when they never should have gotten a loan. In some instances customers were given higher priced subprime loans when they could have qualified for a lower priced loan. Many people were taken advantage of just to satisfy the branch manager's insistence on reaching monthly quotas.

9. The branch manager directed us to make as many different loans to people as we could. For example, if we convinced someone to apply for a home equity loan, we were then supposed to try to get them to apply for an auto loan as well. On top of that, we would also try to give customers a Wells Fargo credit card with a very high interest rate.

10. I saw people turned "upside down" in auto loans. By that I mean they were put into auto loans at interest rates above twenty percent with no down payment and with a cash-out payment on top of that. Some of these auto loans were effectively at 160 percent loan-to-value ("LTV") ratios because there was no down payment required; the borrower was loaned the full amount of the car; and got an additional 50 percent of the loan amount again as a cash payment. These auto and home equity loans would be put together in consolidated packages so that the borrower's home was at risk if they couldn't make the payment.

11. I objected to many of these loans because I knew the borrower wouldn't be able to make the payments. I thought it was particularly unethical to take advantage of a borrower by

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turning a car loan into a home equity loan and placing their home at risk. Even though I made it known that I didn't want to take part in these practices, my branch manager pressured me relentlessly to get borrowers to apply for these types of loans.

12. Some branch managers told us how to mislead borrowers. For example, we were told to make "teaser rate" loans without informing the borrower that the loan was adjustable. Managers also promised borrowers that an adjustable rate loan would be refinanced, even if they knew this might not be possible.

13. Credit managers were supposed to only tell borrowers the bottom-line monthly payment without any other details. We were told not to tell the customer what was in the fine print.

14. In many cases income documents were falsified in order to qualify a borrower for a loan. I know that some managers, including one of my branch managers, changed pay stubs and used white-out on documents to alter the borrower's income so it would look like the customer qualified for the loan.

15. Borrowers were not told about prepayment penalties.

16. Borrowers were also not told about astronomical fees that were added to the loan and that Wells Fargo profited from. I remember that one of my branch managers specifically told me not to disclose these fees to borrowers.

17. Managers sometimes told borrowers that rates were locked prior to closing, when they were not.

18. Managers often misled borrowers by failing to tell them how to pay taxes and insurance as part of their monthly payments.

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19. Each office had what was called a "loan optimizer." This was a type of filter that was supposed to be used to make sure that the borrower qualified for the best loan available. Managers knew exactly how to manipulate the loan applicant's information, such as tweaking the value of the home, so that the borrower would qualify for a subprime loan.

20. Managers added expensive "extras" to loan applications even when the borrower did not need them. For example, I was instructed to tell every borrower that the Home/Auto Security Plan ("HASplan") came with their loan when in fact it was an unnecessary type of insurance that increased monthly payments. If I sent a loan to the underwriters without a HASplan, my branch manager would ask why I had not added the plan.

21. Managers discouraged customers from going to another bank to apply for a loan by telling them that their credit score had been pulled and their credit would be hurt if they applied again somewhere else. This was a pressure tactic designed to keep customers from comparative shopping for a better priced loan.

22. Managers had financial incentives to put borrowers into subprime loans. Managers were given large bonuses if they met quotas set by Wells Fargo. I remember one borrower, Edna Word, whose paystubs were falsified so that the manger could close the loan and make her bonus. If a manager met the monthly requirements for the number and size of loans closed, the bonus could be as much as $10,000 a month.

23. If a manager didn't make their monthly quota, they could be punished. Many managers were put on probation or written-up if they didn't make enough loans.

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I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

EXECUTED WITHIN THE UNITED STATES ON: February 17, 2010

BY: Mario Taylor

Mario Taylor

ATTACHMENT D

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

CITY OF MEMPHIS and SHELBY COUNTY, Plaintiffs, v. WELLS FARGO BANK, N.A., WELLS FARGO FINANCIAL TENNESSEE, INC. and WELLS FARGO FINANCIAL TENNESSEE 1, LLC, Defendants.	Case No. 2:09-cv-02857-STA-dkv

DECLARATION OF CAMILLE THOMAS

1. I, Camille Thomas, hereby attest that I am over the age of eighteen and I am competent to testify with respect to the matter below.

2. In January 2004 I was hired by Wells Fargo Financial ("Wells Fargo") as a loan processor. I worked in that capacity for Wells Fargo until January 2008 when I voluntarily left the company to seek other employment.

3. During the time that I was employed by Wells Fargo I worked at four different locations in the Memphis area. I primarily worked at the Cordova office, which is located at

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1785 North Germantown Parkway. I also worked at the Bartlett office, an office on Winchester Street, and at the Collierville office.

4. In each of the offices where I worked there was one loan processor, several credit managers, and a branch manager. As a loan processor, I was responsible for handling all the paperwork. Customers would initially speak to a credit manager to apply for a loan. Credit managers also solicited customers for loans. Then the loan would be reviewed and approved by the branch manager. After that I would receive and process the file so that it could be submitted to Wells Fargo underwriters for approval and funding.

5. In order to do my job, I had to be familiar with all of the underwriting rules and guidelines that Wells Fargo was supposed to use to qualify borrowers for loans. I worked very closely with the credit managers and became familiar with the different things they did to qualify borrowers for loans.

6. At each of the offices where I worked, Wells Fargo Financial only made refinance loans. All of the loans that Wells Fargo Financial made at the branches where I worked were subprime loans.

7. It was the practice at the Wells Fargo offices where I worked to target African Americans for subprime loans. It was generally assumed that African-American customers were less sophisticated and intelligent and could be manipulated more easily into a subprime loan with expensive terms than white customers. I heard employees joking with one another about the race of customers, saying things like: "You know that guy isn't so smart – is it because he's black?"

8. Elderly African-American customers were thought to be particularly vulnerable and were frequently targeted for subprime loans with high interest rates. I remember one instance where an elderly African-American woman who was over 65 could not qualify for a

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subprime loan that a credit manager wanted to put her into, so the credit manager convinced her to transfer the property to her son so the subprime loan could be made in the son's name.

9. Credit managers targeted African-American borrowers in several different ways. One way was to partner with local businesses that were located in African-American areas, such as Royal Furniture and Flemings, to identify customers who had financed purchases at these stores. Credit managers would "cold-call" people off of these lists or simply show up at these individuals' homes or businesses. Managers identified African-American customers by talking to them over the telephone, or by meeting them in person. Most of the leads on the lists that managers were given to call were African-American.

10. Another way that credit managers targeted African-American customers was by working off of lists of borrowers who had previously had a loan with Wells Fargo. The race of these borrowers could be determined from information contained in the loan file. Managers would try to get these borrowers to re-finance their loans with higher interest rates and other fees and costs, or consolidate their debts at subprime rates using their house as the collateral for the loan. Wells Fargo used these same lists to solicit African-American borrowers with "draft checks." These checks were live, and when cashed instantly became a loan, usually at a very high interest rate, many times at or over 20 percent. When customers deposited these draft checks into their account, we would receive notice and would pursue them in an effort to refinance them with another subprime loan.

11. The higher-ups at Wells Fargo, including the branch managers, put a lot of pressure on credit managers to close loans with the highest possible interest rates and most expensive terms. This led to an environment in which unethical practices were condoned and encouraged. Credit managers and branch managers pushed African-American customers into

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loans they really could not afford. This was possible to do because the underwriting rules gave the managers lots of discretion that allowed them to engage in predatory practices. I know this happened, because I processed the paperwork and saw the loan files.

12. Many different practices were used to steer African-American customers into subprime loans. Many of these customers could have qualified for less expensive or prime loans, but because Wells Fargo Financial only made subprime loans, managers had a financial incentive to put borrowers into subprime loans with high interest rates and fees even when they qualified for better priced loans. Managers received commissions or a bonus based on how many loans they made during a month and whether they met quotas set by the company. Branch and district managers put a lot of pressure on credit managers to meet these goals. Credit managers would not get their bonus and would be written up if they failed to meet the goals. Branch managers used this threat to pressure credit managers into making loans that in many instances should not have been made.

13. There were lots of schemes used to steer African-American customers into subprime loans. For example, credit managers and branch managers made "teaser rate" loans without informing the borrower that the loan had an adjustable rate. They would just say: "this is your monthly payment." Managers also told borrowers that the teaser rate loans would be refinanced in 3 years to avoid paying a higher rate, even when they knew there was a significant risk that it couldn't be done.

14. Managers manipulated loan-to-value ("LTV") calculations in order to qualify borrowers for loans that were larger than they could afford by using inflated appraisals for homes that they knew were not accurate.

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15. In many cases documents were actually falsified to inflate a borrower's income so that the borrower would appear to meet debt-to-income ("DTI") requirements. I know that at least one branch manager engaged in this practice. On one occasion I objected to a falsification of income documents and the branch manager told me, "we gotta do what we gotta do."

16. Borrowers were encouraged to apply for "stated income" loans even when they had the necessary income documentation to qualify for a prime loan. By applying for a stated income loan, the borrower would qualify for a more expensive subprime product. Managers did not tell borrowers that if they submitted income documentation, they could get a less expensive loan.

17. Managers encouraged borrowers to increase the size of their loans by taking additional cash out of their homes when applying for a home equity loan. These "cash-out" refinance loans inflated the size of the loan beyond what the borrower needed, making it more expensive and more difficult to pay back.

18. Borrowers were not told about prepayment penalties.

19. In some instances managers told borrowers that rates were locked prior to closing, when they were not.

20. Managers often misled borrowers about the cost of their loan by failing to tell them that they would have to pay taxes and insurance as part of their monthly payments.

21. Each office had what was called a "loan optimizer." This was a type of filter that was supposed to be used to make sure that the borrower qualified for the best loan available. Managers knew exactly how to manipulate the loan applicant's information so that the borrower would qualify for a subprime loan.

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22. Managers added expensive "extras" to loan applications even when the borrower did not need them. For example, credit managers told borrowers that the Home/Auto Security Plan ("HASplan") came with the loan when in fact it was an unnecessary additional type of insurance that increased monthly payments. The only thing this extra did was drive up the cost of the loan. Wells Fargo made money by adding this extra on to the loan.

23. Managers even went so far as to lie to borrowers about whether their house would become the collateral for a debt consolidation. They told the borrower that they were simply applying for a line of credit, like a credit card, not that they were taking out a loan on their house. For example, managers pushed what we called the "NowLine" of credit without telling the borrower that this would be a second mortgage on their home.

24. In doing all of these things to manipulate African-American borrowers into subprime loans, managers would talk quickly and shuffle lots of papers to conceal what they were doing from the borrower and push the deal through faster.

25. Whenever I saw something that I thought was not right, I did my best to get it fixed. I remember one African-American borrower, Tyrone Banks, Sr., who came into the office to make payments on a debt consolidation loan. I became familiar with his situation, and at one point tried to help him modify his loan when he could no longer afford to make payments. I came to learn that his income documents were falsified in order to qualify him for the subprime loan that he could no longer make payments on. I also learned that Mr. Banks was never told that his loan was an adjustable loan, and that his payments could go up. Mr. Banks has had to file for bankruptcy in order to prevent his home from being foreclosed on.

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I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

EXECUTED WITHIN THE UNITED STATES ON: February 4, 2010

BY: Camille Thomas
Camille Thomas