



**COMMITTEE FOR
BETTER BANKS**
BRINGING CHANGE TO OUR INDUSTRY

June 26, 2020

Wells Fargo

Chief Executive Officer Charles W. Scharf
420 Montgomery Street
San Francisco, California

Dear Mr. Scharf,

As our nation continues to be roiled by crises, from a global pandemic causing economic devastation to systemic racism weaponized in everyday encounters and manifest in horrific police brutality, the actions taken by our leading financial institutions will have an enormous impact on our ability to struggle through these crises and come out a stronger and more unified people. Within financial institutions, frontline bank employees have a unique perspective to offer, which is why we regret your refusing our offer to form a USA Banking Crisis Committee. The urgency for establishing this committee has only grown over the past weeks.

In the absence of this committee, the Committee for Better Banks is launching the Better Banks Accountability Project. Our first report will be Bank Scorecard #1: COVID-19 Response. Attached is a draft of your bank's report for your review. Here is a brief explanation of our methodology and findings.

In May and June 2020, the Committee for Better Banks Accountability Project reviewed publicly available information related to corporate responses to the Covid-19 pandemic in three constituent groups: small businesses, workers, and consumers. We reviewed bank websites, media reports, corporate financial disclosures, and internet based sources to evaluate how each bank performed during the first three months of the novel coronavirus pandemic (March – May). Banks received a letter grade based on a percentage score of a total of 115 points. A bank would not be graded for performance under any metric if it did not have a related business line.

This is the grading rubric we used to calculate your final score and grade of **F**.

Wells Fargo Final Score Calculation		
Category	Eligible	Awarded
Mainstreet Lending and Protections	30	14
Worker Protections	40	16
Consumer Protections	40	27
Other Factors	5	5
Total	115	62
Final Grade		54%

This grade is fully explained in the tables copied below. Please contact us by Thursday, July 2, 2020 if you have any questions or comments regarding the scorecard. You can contact us at staff@betterbanks.org.

Sincerely,

Nick Weiner
Co-Director
Committee for Better Banks

Erin Mahoney
Co-Director
Committee for Better Banks

Wells Fargo Mainstreet Lending and Protections		Eligible Points	Awarded Points
Stock buybacks Full points for cancelling buybacks during pandemic.	Wells Fargo Suspended Buybacks Through Second Quarter Of 2020.	10	10
US Banking Crisis Committee Full points for participation.	No policy or response to letter found.	10	0
Paycheck Protection Program Points deducted for concierge loan services under PPP program; administrative failures; prioritizing classes of customers.	Ended Participation In Payroll Protection Program On April 5, 2020; Federal Released Wells Fargo From Asset Cap Allowing It To Resume PPP Loan Processing; Wells Fargo Disclosed State And Federal Inquires, Class Action Lawsuits Related To Its PPP Administration.	10	4
Total		30	14

Wells Fargo Worker Protections		Eligible Points	Awarded Points
<p>Telework Policy</p> <p>Points awarded for including call center workers in remote plans; not requiring office presence for non-site dependent roles.</p>	<p>Wells Fargo Deemed Branch Employees, Call Center, And Operations Center Employees Essential, Required Continued Office Presence; Wells Fargo Denied Call Center Worker Requests To Work From Home; Wells Fargo Denied Telework Pending Positive Diagnosis For Covid-19.</p>	10	3
<p>Paid Leave and Hazard Pay</p> <p>Points awarded for extended paid leave benefit and hazard pay for duration of pandemic.</p>	<p>Wells Fargo Paid \$600 Pre-Tax Bonus To Full Time Employees And \$300 Pre-Tax Bonus To Part-Time Employees Making Less Than \$100,000; Front Line Workers Making Less Than \$100,000 Per Year Received Additional \$200 Every Other Week; Wells Fargo Announced It Would Not Make Profit-Sharing Contribution To Company's 401(k) Plan; Extended Paid Leave And Financial Support For Employees With Children.</p>	10	3
<p>Protections for Returning Workers</p> <p>Points awarded for stating social distancing and enhanced cleaning in branches</p>	<p>Implemented Enhanced Cleaning Procedures And Launched On-Site Nursing Service</p>	10	5
<p>Workforce issues</p> <p>Points awarded for announcing no layoffs in 2020</p>	<p>Wells Fargo Pledged No Jobs Cuts Amid Coronavirus Pandemic</p>	10	5
Total		40	16

Wells Fargo Consumer Protections		Eligible Points	Awarded Points
<p>Mortgage Policy</p> <p>Points awarded for following federal stating each forbearance time period set by CARES Act, clearly suspending foreclosure, eviction, and repossession.</p>	<p>Wells Fargo Suspended Foreclosure Sales, Evictions, Offered Fee Waivers for Customers Who Contacted Bank; Wells Fargo Provided Accurate CARES Act Relief Information Regarding Year-Long Forebearance Opportunity.</p>	10	10
<p>Relief from Bank Fees</p> <p>Points awarded for automatically suppressing fees for all consumer products.</p>	<p>Paused Collections As Of Stimulus Deposit Date; Wells Fargo: "We are working directly with customers on a case-by-case basis to address their needs, and we are currently providing assistance, including fee waivers – which may include overdraft-related fees – and payment deferrals for customers who contact us."</p>	10	7
<p>Relief for Automobile Loans</p> <p>Full points for applying federal mortgage forbearance timelines.</p>	<p>Wells Fargo Suspended Involuntary Automobile Repossession; Wells Fargo Offered Payment Arrangements And 90-Day Payment Deferral With Negative Credit Reporting Suppression;</p>	10	8
<p>Relief for Student Loans</p> <p>Full points for following federal forbearance timelines.)</p>	<p>Wells Fargo Continued To Charge Interest On Student Loans During Deferment. "We are offering customers assistance for up to 3 billing cycles"</p>	10	2
Total		40	27

Wells Fargo Other Factors Considered		Eligible Points	Awarded Points
Charitable Donations Five bonus points for making charitable donation.	<u>Wells Fargo Committed \$175 Million from Wells Fargo Foundation For Covid-19 Response; Full year net income of \$2.9 billion.</u> Donation equaled 0.1% of net income	5	5
Total		5	5