

A Wells Fargo stagecoach, pulled by a team of horses, is shown in a mountainous landscape. The stagecoach is red and white, with "WELLS FARGO & COMPANY" written on its side. The horses are dark-colored and are pulling the stagecoach up a hill. The background features rolling mountains under a blue sky with some clouds.

**WELLS  
FARGO**

**Wells Fargo:  
Serving Native American Communities  
September 2002**

# Presentation by:

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# Vision of Wells Fargo & Company

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To satisfy all of our customers' financial needs and help them succeed financially.

# Values

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Our product is service

Our value added is financial  
advice and

Our competitive advantage is our  
people

# Vision of Wells Fargo & Company

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To satisfy all of our customers' financial needs and help them succeed financially.

# Wells Fargo Native American Communities

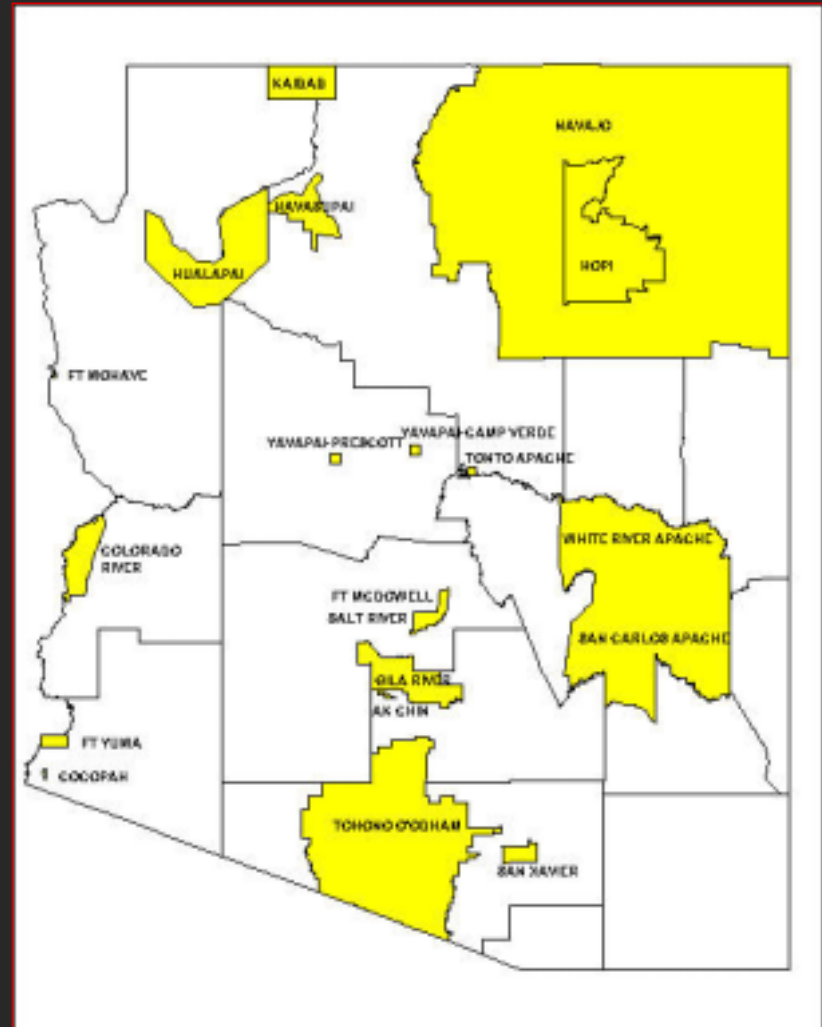
- Wells Fargo's Community Bank 23-state territory contains 90% of federally-recognized tribes and a majority of the Native American population of the U.S.
- Wells Fargo has relationships with 40 tribes in 10 states
- Wells Fargo has more stores on Indian Reservation than any other financial services company
- The Native American Banking Services group creates jobs and economic opportunities through lending and investments on tribal lands

# Wells Fargo's Retail Network in Native American Communities

- Wells Fargo has **17** banking locations on Indian Reservation lands
  - Alaska 1 stores
  - Arizona 6 stores
  - Colorado 1 store
  - New Mexico 2 stores
  - South Dakota 2 stores
  - Utah 4 stores
  - Wyoming 1 store
- These stores serve predominantly low- and moderate-income areas
- In most cases, these are the only banks serving these reservations

# Native American Communities in Arizona

- Native American population: 192,202 = 5.2% of state
- Navajo Nation largest tribe in U.S. (175,000)
- 6 stores on the Navajo Nation
  - 5 Traditional Stores
    - Window Rock, AZ
    - Chinle, AZ
    - Kayenta, AZ
    - Tuba City, AZ
    - Shiprock, N.M.
  - 1 In Store, Bashas' Supermarket
    - Pinion, AZ





# Why Bank on the Navajo Nation?

- In 1993 Norwest bought Citibank Arizona
- Citibank had 2 stores on the Navajo Nation
  - Window Rock and Tuba City
- Stores in very poor physical condition
- Navajo Leadership asked for Norwest help
- Norwest built 4 new stores
- Why? Company Vision
  - 27.9% unemployment
  - \$11,835 median family income vs. \$35,225 national avg.

# Navajo Initiatives

- Expanded our banking facilities (4 new buildings)
- Participation in Decision Making: Community Advisory Board
- Employees are Navajo
- Small Business Development
- Loan Commitment for Mortgage and Consumer
- Credit Needs Assessment
  - CARE: Education Program for chapter houses and schools
    - KEY: Financial Education for community and employees
  - LIFT: Low Income Flexible Terms

# Window Rock

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# Where we are today

- Northeast AZ numbers only
- 44 Employees
- \$1.2mm Personnel Expense
- \$5mm of Commercial commitments
- Financially viable stores

Aug, 000's	2001	2002
<b>Loans</b>		
Consumer	8,331	10,968
Commercial	13,782	12,068
<b>Total</b>	<b>22,113</b>	<b>23,036</b>
<b>Deposits</b>		
Consumer	63,670	49,784
Commercial	8,967	16,599
<b>Total</b>	<b>72,637</b>	<b>66,383</b>

# Open More Branches?

- Closest current WF location to prospective area
- Normally we look for areas with high economic growth
  - Low HH growth
- Number of competitors
- Can't use normal financial model or time frame
- Our goal is to Partner with a tribe
  - Politics usually gets in the way
  - Maturity of governance is key
- Format: Prefer stand alone buildings
- Don't be concerned with sovereignty

# Wells Fargo Involvement with Arizona Native American Organizations

- Wells Fargo has the most stores on Native American reservations (6 stores)
- Participating lender in National One-Stop Mortgage Program
- WFHM Approved HUD 184 Lender
- Focus on Native American loans through Wells Fargo's Commercial Banking Group
- Employee and/or Financial Support:
  - Native Americans for Community Actions, Inc.
  - National Center for American Indian Enterprises
  - Arizona Native American Economic Coalition

# Northeast Native American Initiatives

- Navajo Partnership for Housing; \$100m grant in `01
- Fort Defiance Housing Authority; \$10m grant in `01
- Navajo Housing Services; \$10m grant in `00
- Presidents Housing Task Force
- Indigenous Community Enterprises
- Northern Arizona University:
  - College of Business Administration: retain students
  - Indigenous Studies: Governance Training
  - Summer Intern Program
- Twilight Dawn, \$10m grant in `00
- Higher Ed Scholarships annually of \$5m

# Native American Mortgage Lending Challenges

- **Goal: Provide mortgages eligible for the secondary market**
- **Laws**
  - Tribal sovereignty - each tribe unique
- **Government Policies**
  - Obtaining home site leases
  - Bureau of Indian Affairs approval/recordation process - multiple offices
- **Secondary Market**
  - Streamlined mortgage approval process
  - Homebuyers Club - culturally sensitive credit counseling **EDUCATION**
- **This took 7 years to achieve on the Navajo Nation**



# Wells Fargo Home Mortgage, Inc.

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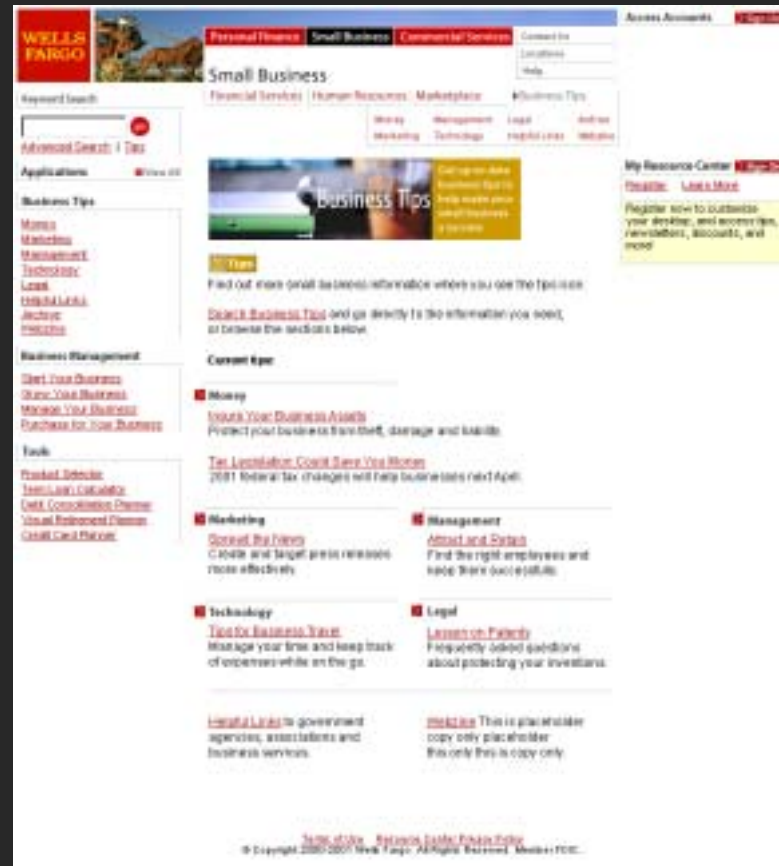
- WFHM operates the leading mortgage lending network in the country
- WFHM funds approximately one of every 11 homes financed annually in the United States
- WFHM Emerging Markets team specializes in identifying the opportunities for home lending and services to underserved markets, especially Native Americans
- WFHM is the leading home purchase lender on tribal trust land
- Placed a HMC in Window Rock

# Wells Fargo - HUD 184 Leader

- Wells Fargo Home Mortgage is the leading national provider of HUD 184 mortgage loans as well as the largest producer specifically on trust lands
- Congress created the HUD Section 184 Indian Home Loan Guarantee Program in 1992, which authorized HUD to guarantee loans made by private lenders to Native Americans
- The 184 Program is unique because it requires approval from two different government entities since the land being mortgaged or encumbered is held in trust by the federal government

# Resources for the Small Business Market

- Wells Fargo launched the Resource Center for Small Business Owners in June 2000 ([wellsfargo.com/biz](http://wellsfargo.com/biz))
- Comprehensive web site that offers information, access to banking product applications, and use of on- and off-line banking services
- Financial education content incorporated throughout the site
- Arizona Native American Economic Coalition
- Northern Arizona University Small Business Center



# Financial Literacy Services

- The Salt River Indian Reservation in Phoenix was the launch for Wells Fargo's innovative new financial literacy program, *Banking On Our Future*™
- This program integrates Wells Fargo's commitment to education with its leadership in Internet banking and helps narrow the digital divide by bringing the unbanked community into the financial mainstream
- The program was launched with the wells Fargo.com bus, a customized motor coach designed to bring customer education and training to any community in the U.S.
- The bus was developed specifically to support Wells Fargo's strategy to bring alternative services to all the bank's diverse communities, including Tribal lands

# Community Development Lending Highlights Arizona



- In 2001, Wells Fargo provided a **\$1 million** line of credit to a Native American Tribe to fund interim financing for homeownership programs
- This tribal organization has approximately 7,500 homes under their management with 500 homes currently under construction
- Wells Fargo team members have conducted homeownership seminars for this tribal organization
- Wells Fargo has provided **\$15,000** in grants

# Summary

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To satisfy all of our customers' financial needs and help them succeed financially.

My bank will only be as strong as the community I serve.