



WHOLESALE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

December 31, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Wells Fargo Bank Northwest, N.A.
Charter Number: 2597

2404 Washington Boulevard
Ogden, UT 84401

Office of the Comptroller of the Currency

Large Bank Supervision
250 E Street SW
Washington, DC 20219-0001

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING:

Wells Fargo Bank Northwest, N.A. (WFBNW) is rated Satisfactory.

The conclusions for the three rating criteria are:

- The bank demonstrates an adequate level of community development (CD) lending, CD services, and qualified investment activity.
- The bank rarely demonstrates the use of innovative or complex qualified investments, CD loans, or CD services.
- The bank demonstrates excellent responsiveness to credit and CD needs in its assessment area (AA).

Scope of the Examination

In evaluating the bank's performance under the CRA, we reviewed community development activities from January 1, 2006 through December 31, 2009. We evaluated the level and nature of qualified investments, community development lending, and community development services. At the prior examination dated December 31, 2005, we rated the bank Satisfactory.

For this CRA evaluation, WFBNW submitted for consideration a number of qualified investments, CD loans, and CD services originated by affiliates. All of these benefited the bank's AA or greater regional area that includes the AA.

Description of Institution

On December 8, 2003, WFBNW received approval from the Office of the Comptroller of the Currency for designation as a wholesale bank under the CRA. This designation became effective at the close of business on February 21, 2004, when retail operations for WFBNW were consolidated into Wells Fargo Bank (WFB). WFBNW is headquartered in Ogden, Utah. The bank does not have any retail branches and does not accept traditional retail or commercial deposits. The bank has 70 employees. Administrative offices are located primarily in Salt Lake City, Utah. WFBNW is a wholly owned subsidiary of Wells Fargo & Company (WFC).

WFC is a diversified financial services company headquartered in San Francisco, California. As of December 31, 2009, WFC had consolidated total assets of nearly \$1.2 trillion, ranking it fourth among the largest financial institutions in the United States. WFB conducts business in 10,340 offices and 12,363 ATMs located in 39 states and District of Columbia. WFBNW holds various portfolio assets for WFC, including commercial loans, real estate loans, and consumer credit, such as home equity loans, personal and student loans. The bank does not offer or originate direct commercial or retail loans in the AA.

WFBNW's business strategy and primary focus is to provide municipal account services to government entities in the state of Utah. WFBNW delivers its products and services by direct contact with potential customers. The bank accepts public funds/municipal deposits from Utah-based government entities through its affiliate WFB's branch network in the state of Utah. As of December 31, 2009, WFBNW's total assets were \$14.5 billion and it has Tier 1 capital of \$1.1 billion.

WFBNW collaborates with its affiliates for most of its CRA activities. While WFBNW does hold some CRA assets on its books, most qualified investments and CD loans are made through affiliate entities such as WFB, the Wells Fargo CDC, and the Wells Fargo Foundation and then allocated to this charter. As a result, a higher level of community development technical expertise is available to WFBNW. The bank also uses WFC and WFB community development personnel to interact in the community and to identify credit needs within the AA.

There is strong competition for financial services in Utah. Several local and regional institutions, industrial loan corporations and credit unions compete for a part of available CD opportunities. Among those institutions having a presence in the bank's AA are Barnes Banking Company, Zion's First National Bank, Republic Bank, Bank of Utah and JP Morgan

Chase. WFBNW's affiliate WFB has the largest market share of deposits and the most banking offices in the AA.

Table 1: Financial Information (000s)

| | Year-end 2006 | Year-end 2007 | Year-end 2008 | Year-end 2009 | Average for Evaluation Period |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------------------------|
| Tier 1 Capital | \$1,153,000 | \$1,159,000 | \$879,000 | \$1,212,000 | \$1,100,750 |
| Total Income | \$1,784,000 | \$1,583,000 | \$1,277,000 | \$1,029,000 | \$1,418,250 |
| Net Operating Income | \$631,000 | \$608,000 | (\$35,000) | (\$57,000) | \$286,750 |
| Total Assets | \$13,088,000 | \$14,625,000 | \$14,213,000 | \$14,504,000 | \$14,107,500 |

Source: Consolidated Report of Condition and Income and bank reported data.

Description of Assessment Area

WFBNW delineated its AA as the Ogden-Clearfield Metropolitan Statistical Area (MSA) encompassing the charter office located in Ogden. The AA complies with the technical requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. The following discussion and tables present general demographic and economic information on the Ogden-Clearfield MSA.

The Ogden-Clearfield MSA is composed of Davis, Morgan, and Weber counties. Ogden is the most populous city in Weber County and the MSA, with an estimated population of 83,296. It is the seventh largest city in Utah. The other centers of population in the MSA are the cities of Layton and Bountiful in Davis County with estimated populations of 66,746 and 44,477 respectively. The MSA lies north of and adjacent to the Salt Lake City MSA.

Table 2: Assessment Area Description

| | Number | Low | Moderate | Middle | Upper |
|-------------------|---------|-----|----------|--------|-------|
| Tracts | 93 | 4% | 18% | 54% | 24% |
| Families | 111,216 | 16% | 20% | 26% | 38%* |
| Businesses | 44,219 | 5% | 16% | 53% | 26%** |

Source: Demographic Data – 2000 U.S. Census, 2009 Dun & Bradstreet Data. *Represents families by income level. **Represents businesses by income level of census tract.

Some of the largest employers in the MSA are the Department of the Treasury Internal Revenue Service, McKay-Dee Hospital Center, Weber County School District and Weber State University. According to the U.S. Bureau of Labor Statistic, the unemployment rate for the MSA has increased steadily during the evaluation period from 3.9% as of September 2008 to 6.9% in April of 2010. The unemployment rate is slightly less than the overall state rate of 7%.

Changes in the mortgage market in 2007 and 2008 have had an impact on home buyers' ability to qualify for home mortgages. The collapse of the secondary market and loan defaults across the country has increased the qualifications requirements for a mortgage loan in the MSA as well as most areas of the United States. Because of the contraction in the credit markets, rental properties have been more in demand, with vacancy rates declining drastically.

Homelessness is an increasing issue in the Ogden area due to insufficient homeless prevention resources for people under eviction notices.

Primary goals in Ogden continue to be the revitalization of business real estate values and improving business environments in order to create more jobs. The City of Ogden is also working to develop opportunities for small businesses through its Business Information Center (BIC). The BIC focuses much of its efforts on low- and moderate-income individuals, particularly women, minorities and disabled clients, encouraging them to develop business enterprises in Ogden.

Community Contact information on file for this MSA and information from the OCC Community Affairs officers as well as information provided by the bank identified CD needs in the MSA for increased homeownership in high rental neighborhoods, developing affordable infill housing on vacant lots, rehabilitating HUD foreclosures for low- to moderate-income households and ensuring that code and zoning requirements are aggressively enforced.

Needs identified to alleviate Ogden's chronic homelessness include addressing the lack of emergency shelter beds by promoting private development, supporting housing and supportive services for the homeless, and developing additional funding for rehabilitation, financial literacy and housing projects. The City of Ogden has also identified the need for job creation through the revitalization of business districts and improving business environments as well as encouraging small business development.

Although several statewide agencies exist to address affordable housing issues, the majority of the CD organizations and opportunities are located in the Salt Lake City MSA and although adjacent to the Salt Lake City MSA, the CD opportunities in the Ogden-Clearfield MSA are considered limited.

Conclusions about Performance

Summary

WFBNW made an adequate level of qualified investments, CD loans and CD services in its AA in relation to its capacity, credit needs and opportunities in its AA. Although retail services are not offered by the bank and commercial activity is limited, the bank, in partnership with its affiliates, has been involved in CD activities in the AA. During the evaluation period, WFBNW made almost \$52 million in qualified investments and CD loans. Combined with prior period investments, the bank provided nearly \$54 million in CD loans and qualified investments. In addition, employees provided nine CD services that included participation on boards of CD qualified organizations and financial training to low- and moderate-income students.

The CD activities rarely exhibited innovative and/or complex characteristics.

WFBNW demonstrates excellent responsiveness to the credit and CD needs in the AA. The majority of WFBNW's CD activities are targeted to affordable housing or small business development

Qualified Investments

Table 3: Qualified Investment Activity (000s)

| | Benefits AA |
|---|--------------------|
| Originated Investments | \$16,653 |
| Originated Grants | \$487 |
| Prior-Period Investments that Remain Outstanding | \$1,844 |
| Total Qualified Investments | \$18,984 |
| Unfunded Commitments* | \$1,283 |

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table 4: Qualified Investment Percentages

| | Benefit AA (%) |
|---|-----------------------|
| Total Investments/Average Tier 1 Capital | 1.72% |
| Total Investments/Average Total Income | 1.34% |

During the evaluation period, WFBNW made 6 investments totaling \$16.6 million and 21 grants totaling \$487 thousand. The majority of the current period investments were to small business investment funds to provide venture capital to small businesses in the AA or in a regional area that includes the AA.

Prior period investments that remain outstanding and have a continuing impact on the community totaled about \$1.8 million. Additionally, unfunded commitments of nearly \$1.3 million also demonstrate the bank’s ongoing commitment to community development. The unfunded commitments represented ongoing commitments to the investments funded in this and prior evaluation periods.

The majority of CD investments as well as CD grants and donations were to facilitate small businesses, provide affordable housing or to provide operating funds to organizations that facilitated affordable housing.

The largest investment made by the bank was in a fund that invests in low-income housing tax credit projects. Although the fund is national in scope, the bank is the only investor and \$11.2 million was invested in an affordable housing project in Ogden. The project provided 100 units of affordable housing in the AA.

One of the investments that represented a substantial portion of the prior and current period investments as well as a smaller amount of the unfunded commitments was to a small business development company with an investment focus on a regional area that includes the bank’s AA. The purpose of the fund was to provide early stage funds to CD qualified technology companies.

Community Development Lending

Table 5: Community Development Lending Percentages

| | Benefits AA (%) |
|--|------------------------|
| Total CD Lending/Average Tier 1 Capital | 3.17% |
| Total CD Lending/Average Total Income | 2.46% |

During the evaluation period, WFBNW extended credit in the form of bonds and loans totaling almost \$35 million.

Almost \$12 million in CD credit was extended in the AA to the Utah Housing Corporation. The credit provided funding for three affordable housing projects in the AA.

The bank also augmented the financing of an affordable housing project discussed in the investment section with an \$8.7 million loan for construction financing.

Community Development Services

Nine CD services were provided by bank personnel. Financial literacy education is one of the services provided by the bank. Bank personnel conducted 10 financial literacy classes at four different CD qualified elementary schools. The other services were provided through membership on the boards of CD qualified funds or organizations where bank personnel advised the organization on financial or investment matters.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Assessment Area (AA): A geographic area that consists generally of one or more MSAs (using the MSA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

Benefit to Assessment Area: A qualified Community Development activity benefits the assessment area if (i) the activity benefits areas within the assessment area, or (ii) the activity has the potential to benefit the assessment area and is located in the broader statewide or regional area that includes the bank's assessment area. If a bank has adequately addressed the needs of its assessment area, then the OCC also considers activities submitted by the bank that benefit areas outside of its assessment area.

Census Tract (CT): Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per 10-year census and an average population of 4,000.

Community Development (CD): Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301)) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Median Family Income (MFI): The median income determined by the United States Census Bureau every 10 years and used to determine the income level category of geographies. Also, it is the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of families. For any given geography, the median is the point at which half of the families have income above it and half below it. (See the four categories of median income below.)

- **Low-Income** – An income level that is less than 50% of the MFI.
- **Moderate-Income** – An income level that is at least 50% and less than 80% of the MFI.
- **Middle-Income** – An income level that is at least 80% and less than 120% of the MFI.
- **Upper-Income** – An income level that is 120% or more of the MFI.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Net Operating Income: As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Total Assets: Total bank assets as listed in the Consolidated Report of Condition and Income.

Total Income: From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income.

Wholesale Institution: An institution that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers and for which a designation as a wholesale bank is in effect.