



# WELLS FARGO

OCCUCARD #10

EXPOSING AND OPPOSING THE CORPORATE STATE



**W**ells Fargo & Company is a multinational financial services corporation headquartered in San Francisco, California. It is the fourth largest U.S. bank in terms of assets (\$1.3 trillion), and the second largest in terms of deposits. Between 2004 and 2008, Wells Fargo engaged in widespread mortgage and securities fraud. In a practice known as “reverse redlining,” it intentionally gave high interest and adjustable rate mortgages to low-income and minority borrowers, knowing that they would eventually default. It then bundled and sold these subprime, “designed-to-fail” loans to middle-income investors, misrepresenting them as secure, high-rated investments. By lying to borrowers about the terms of their loans (interest rates often skyrocketed after the first year), and by deceiving investors about the quality of their mortgage-backed securities (ratings agencies were often paid to reclassify high risk mortgages as low risk), Wells Fargo made billions of dollars defrauding tens of thousands of ordinary Americans, many of whom lost their homes, their savings, and were forced into bankruptcy.

Despite criminal predatory lending and blatantly violating the Securities Act of 1933, which “prohibits deceit, misrepresentation, and other fraud in the sale of securities,” not a single Wells Fargo executive has been prosecuted. Instead, the corporation was rewarded with \$25 billion in government bailout funds, half of which it used to purchase Wachovia. Wells Fargo announced the \$12.7 billion acquisition just hours after Congress gave them the money. In a further display of arrogance and contempt for the rule of law, they then dramatically increased salaries for its senior executives, more than doubling that of its CEO, John Stumpf, whose 2009 compensation totaled \$21.3 million, earning him the title of the highest paid bank CEO in U.S. history.

Wells Fargo's criminal behavior continued in 2009 as it began foreclosing on homeowners who got behind on their mortgage payments. Rather than modifying loans, the bank chose to repossess and short-sell thousands of homes insured under the Federal Housing Authority. They then filed claims with the FHA to recoup the difference between the sale price and the outstanding loan balance. In their rush to cash in on federally insured mortgages, the bank forged signatures and hired “robo-signers” to process foreclosures en masse, without examining the underlying paperwork. Federal audits conducted in 2011 revealed that millions of bank foreclosures in 2009 and 2010 violated federal laws and that Wells Fargo and other banks filed thousands of fraudulent FHA reimbursement claims.

A staggering nine million homes were foreclosed on between 2009 and 2011, and the banks responsible, including Wells Fargo, show no signs of letting up. A February 2012 mortgage settlement deal between the government and the nation's five largest lenders is widely criticized for being a mere slap on the wrist for the banks, who are being asked to pay out a trivial \$2,000 for each homeowner they illegally foreclosed on. This sanction, however, has resulted at least to some degree from the Occupy movement exerting upward pressure on State attorneys general and other government officials, which is why we must continue building a mass movement of **education, protest** and **civil disobedience**.

**GET INVOLVED!**  
occupyyourhomes.org

**References / more info /  
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