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## Wells Fargo Government Guaranteed Mortgage Program

*The COIN Program invites proposals for safe, sound, solvent investments that offer an acceptable financial return and provide tangible social and/or environmental benefits to underserved low-income and/or rural communities.*

### **TYPE OF INVESTMENT** – Bonds, NAIC Schedule D

The Wells Fargo Government Guaranteed Mortgage Program (WFGGMP) assembles custom pools of agency-eligible mortgage loans made to low or moderate income (LMI) residents and/or are located in LMI areas in California. The mortgage-backed securities (MBS) are issued by Fannie Mae, Freddie Mac, or Ginnie Mae, and offered as pass-through securities or collateralized mortgage obligations (CMOs).

Freddie Mac and Fannie Mae guarantee the principal and interest payments of their securities and there is no U.S. Government guarantee. Freddie and Fannie MBS carry credit risk based on the financial solvency of their respective guarantor. Ginnie Mae MBS are guaranteed by the Federal Government. During periods of financial stress, MBS may have reduced liquidity.

### **USE OF PROCEEDS**

The WFGGMP selects mortgages from Wells Fargo Home Mortgage or other top 10 lenders to create a pool that reflects investor preferences (low or moderate income, certain counties or census tracts, coupon, average life, average loan balance, etc.). Investors can select the individual loans that are pooled.

The minimum investment amount is \$1 million. Wells Fargo Securities creates the security and gets paid through the trading spread. The low fees, low investment minimum, and liquidity make WFGGMP a financially optimal way to invest in a relatively safe asset class.

### **GEOGRAPHIC FOCUS**

The mortgages are made to LMI residents or in LMI census tracts in California.

### **SOCIAL/ENVIRONMENTAL IMPACT**

The WFGGMP deepens the pool of home financing available to LMI residents of California, lowers the borrowing costs, and increases the liquidity of California mortgages. It widens the option of home ownership for those with limited financial means and has ancillary benefits in these communities, greater engagement in the community, civic pride, and more stability.

### **CONTACTS**

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