

In this issue:

Taking charge: How to establish and manage your credit	1
Message from John Stumpf, Chairman, President & CEO	1
What your credit report says about you	2
Teaching kids money values	4
Rebuilding lost home equity	4

Message from John Stumpf



“Wells Fargo’s consistent business model and strong financial performance position us to serve a key role as our nation continues to recover from the recent

financial crisis and regain its economic vibrancy and leadership. Having long supported a legal and regulatory environment that promotes consumer protections, financial reporting transparency and clarity, as well as prudent risk management, we support the general principles inherent in the financial reform bill, as they are consistent with how Wells Fargo operates. We are encouraged by signs of continued improvement in the credit landscape...and are optimistic about America’s road to financial recovery.”

—John Stumpf, Chairman, President & CEO

Get Smart About Credit!

October is **Get Smart About Credit** Month and Wells Fargo wants to help consumers get back to the fundamentals of smarter credit management.

To learn more, talk with a banker or visit handsonbanking.org or elfuturoentusmanos.org.

Taking charge

How to establish and manage your credit

A positive credit history isn’t just nice to have—it’s a must-have in today’s world. Whether you are trying to rent an apartment, set up cell phone service or utilities for your home, or get the best rates on car insurance or most credit products, knowing the information in your credit report is essential.



So, what do you do if you’re just starting out and haven’t established a credit history yet? Or if you’re starting over again after damaging your credit.

There are no quick fixes. But, here are some steps you can take to establish and manage your credit over time—so you have a credit history that helps you get where you want to go in life.

Start by knowing what’s currently on your credit report

Check your credit report regularly so you know exactly what those reviewing it will see. By law, you can request a free credit report (credit score not included) once every 12 months from each of the consumer credit reporting companies: Equifax, Experian and TransUnion. You can request all three reports free at annualcreditreport.com.

Make sure the information is accurate and up-to-date. If it isn’t, report the error to the credit bureau and fix it. Inaccurate information on your credit report—like someone else’s information mixed up with yours—can cause big problems. Once you know what’s on your report and that it’s accurate, you can see where you may have opportunities to establish and better manage your credit.

Get up-to-speed on how your credit is scored

Your credit score is calculated using various criteria like *Length of Your Credit History*, *New Credit* and *Types of Credit*. But, the two most important criteria are:

1. *Your Payment Track Record* – whether or not you pay your bills on time
2. *What You Owe* – what your overall outstanding balances are plus how much of your available credit you’re using

If you’re serious about establishing good credit, it’s critical to pay all your bills on time—every time. Set up automatic payments through online bill pay to ensure that you’re never

Taking charge continued on page 2

Together we’ll go far



Taking charge *continued from page 1*

late. Pay more than your minimum payment or your balance in full whenever you can.

And don't max out your credit accounts. Keep your balances under control and try not to use more than 35% of your available credit.

Check your credit report:

Equifax: 1-800-685-1111

Experian: 1-888-397-3742

TransUnion: 1-800-916-8800

Get a gas card or retail store card

Generally, it's easier to be approved for these cards, but they often have higher interest rates than major credit cards. Always pay off higher-interest debt first.

Apply for a credit card

Retail and gas cards may help you build your credit history. But, your credit score is partly determined from the variety of different credit you have, so adding a major credit card—like a Visa® or MasterCard® could help improve it. If you can't get an unsecured card yet, apply for a secured card.

A secured card works like any other credit card, and can be used wherever major credit cards are accepted. You deposit money into a collateral account, which becomes your line of credit. Then, you make monthly payments on your balance as you would with an unsecured credit card. Your payments are reported to the credit reporting bureaus and become part of your credit history.

Make sure you choose a secured card that:

- Has no application fee and a low annual fee
- Can become an unsecured card after one year of making payments on-time and meeting other eligibility criteria
- Reports your payment history to the three major credit bureaus

Learn more about secured credit cards at wellsfargo.com/securedcard

Move on to an installment loan

As you establish your credit history, you may want to include installment loans to meet your occasional financing needs. This might start with auto loans or personal loans, but may eventually include a mortgage or home equity loan. If you limit the amount you borrow and keep the term of the loan short, you may strengthen your credit without paying a lot of interest.

If you can't qualify for an unsecured loan or if you have some personal savings, consider a loan secured by your CD (certificate of deposit) or savings account. (See bottom of page 3 for details.)

Learn more about auto loans at wellsfargo.com/autoloans/index

Learn more about student loans at wellsfargo.com/student

Become a co-borrower with someone who has good credit

One of the quickest ways to establish or re-establish your credit history is to be added as a joint account holder on a family member's or friend's credit card, or having them co-sign a loan with you. As a joint account holder, their payment history will also show up on your credit report. And if you make the payments on time, it will raise your credit score. But remember, if either one of you doesn't pay on time, both of you will have a negative item on your credit report. And you may not be able to have yourself removed

Taking charge *continued on page 3*

What your credit report says about you

Your credit report is a detailed record of your credit history. There are three credit reporting agencies: Equifax, Experian and TransUnion. They receive information on how you've met your financial obligations from a variety of sources and then compile it to provide a reliable portrait of how you handle your obligations.

Your credit report captures key data about you and your finances

Personal information

- Addresses where you've lived
- Employment history
- Phone number(s)
- Variations of your name, if any

Potentially negative items

- Public records like bankruptcy, liens and court judgments
- Credit accounts with defaults and late payments stay on your report for seven years

Accounts in good standing

- All current revolving and installment accounts

Credit report *continued on page 3*

New on wells Fargo.com

The **Smarter Credit™** Center on wells Fargo.com is designed to help you manage credit wisely to achieve your financial goals. The Center now features a new series of two-minute videos covering important topics like:

- An Introduction to Credit
- The 4 C's of Credit
- Establishing and Improving Credit
- Protecting Credit by Preventing Identity Theft

See the videos at wellsfargo.com/smarter_credit

Taking charge *continued from page 2*

as a co-borrower, if your co-borrower defaults. Consider this option carefully with your co-borrower before taking any action.

Work with a professional

Establishing a good credit history is like losing weight—there's no quick fix. It takes time, effort and guidance. Set up a meeting with your banker to discuss your situation and get the professional assistance you need to manage your credit wisely—and get where you want to go in life.

Tips for improving your credit score

From *The Smarter Credit Center* at wellsfargo.com/smarter_credit/index

Improve your payment history	<p>Pay your bills on time. Delinquent payments have a major negative impact on your score.</p> <p>If you missed payments, get current and stay current. The longer you pay your bills on time, the better your score. But, even if you pay off a delinquent account, it stays on your report for seven years.</p>
Lower the amounts you owe	<p>Keep your balances low on credit cards and other revolving credit. High outstanding debt can affect a score.</p> <p>Pay off debt. Don't just move it around. The best way to improve your score is by paying down your revolving credit.</p> <p>Don't close unused credit cards to raise your score. Owing the same amount, but having fewer open accounts may lower your score.</p> <p>Don't open new credit cards you don't need. This approach could backfire and lower your score.</p>
Establish your credit history slowly	<p>Don't open a lot of new accounts too fast. If you've been managing credit for a short time, rapid account buildup can look risky.</p>
Get new credit	<p>Re-establish your credit history. Even if you'd had problems in the past, opening new accounts responsibly and paying them off on time will raise your score in the long term.</p>

Use your CD or savings account to establish good credit. If you have a Certificate of Deposit (CD) or a savings account, you can turn it into a tool for strengthening your credit report—with a CD or Savings-Secured Loan.

The CD/Savings-Secured Loan allows you to borrow against your personal savings at a low fixed interest rate, giving you access to funds at a low cost while keeping your personal savings intact and growing. As you repay the loan on time every month, you establish a solid repayment history, which becomes part of your credit report.

Not only is your money working for you while you're using it, but you're helping to establish and manage your credit at the same time.

To learn more about a CD/ Savings-Secured Loan, go to wellsfargo.com/securedloan

Credit report *continued from page 2*

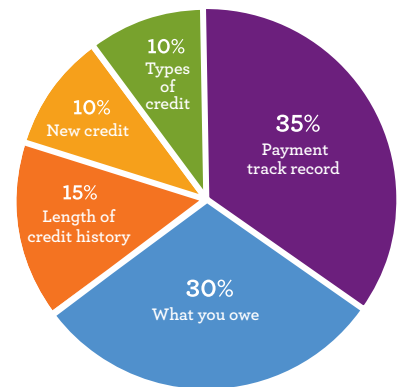
- Balances and payment histories may remain on your report even after account closure

Requests for your credit report

- Requests for credit that you initiate
- Creditors who are monitoring your credit
- Pre-screened offers as allowed by law

How your credit score is calculated

Your credit history and transactions are monitored and compiled by three credit reporting agencies: Equifax, Experian and TransUnion. They generally calculate your credit score by evaluating the five key criteria shown in the chart below.



How credit scores are generally viewed:



Teaching kids money values

In today's world, it takes more than the 3 Rs for kids to succeed in life. Right up there with reading, writing and 'rithmetic is learning about money—how it works and how to manage it to reach our goals in life. It's a critical component in every child's education because it:

- Builds valuable money management habits
- Plants the seeds for lifelong financial responsibility and security
- Shows kids how to reach their goals and make their money work for them



But with a subject as vast as money, where do you begin? Start by focusing on four simple, but powerful concepts:

Check out these free online education resources for kids

As a Wells Fargo customer, you have a variety of free educational resources at your fingertips on wellsfargo.com:

- Hands on Banking®/El futuro en tus manos® is a free program that helps people of all ages understand financial basics and smart money management. The special Teach Your Kids About Money section features fun lessons on how money works, checking and savings accounts, needs vs. wants and how to shop on a budget. handsonbanking.org
- Stagecoach IslandSM offers kids a fun way to grow their financial knowledge—adopting an avatar and learning about money management while interacting with others through online chat and virtual activities like skydiving, dancing and shopping. wellsfargo.com/stagecoachisland
- Plan For Your Child's Complete Financial Future provides guidelines on the different needs you face at each stage of your child's development along with the financial tools to meet them. wellsfargo.com/resource_center/childsfuture/index

time your kids have a birthday to celebrate, give them a budget and include them in figuring out which gift(s), card and wrapping paper they can afford. It won't take long for them to start getting creative on how to make the budget stretch farther to accomplish the goal.

Earning – Kids have no idea where money comes from. It's never too early to start helping them make the connection between work and money. Connecting their weekly allowance to performing specific chores around the house is a good way to go. Or you can assign a value to various tasks and help them make the connection that harder tasks equal more money. Once they've grasped the concept at home, you can encourage them to start marketing their lemonade stand, yard work or snow shoveling skills to the neighbors.

Teach by example – Kids learn by example. The more you practice what you preach, the more they'll follow your lead and learn how money works and how to manage it. Nothing is more powerful than a good role model.

For help opening a kid's savings account or planning your child's financial future, speak with your Wells Fargo banker.

Saving – In the boom years, saving became a concept that seemed outdated in our age of credit usage. But, with the recent economic downturn, saving has acquired a new respectability and value.

When kids want a toy, game or book, don't just buy it for them—teach them how to start saving for it. An allowance is a great way to do that. Each week as they get closer to their goal, encourage them to be patient and help them appreciate the role they're playing in turning a dream into reality. It's a powerful lesson. You can even start to teach them about earning interest by offering to add a dollar to every ten they put in their piggy bank or savings account.

Budgeting – Budgeting is a more difficult concept to grasp (and still is for many adults). But, you can make it a fun lesson. One mother uses play money from her children's board games to demonstrate all the different expenses the family income has to be divided into each month. The next

Rebuilding lost home equity

Home values in many areas across the country have dropped as a result of the recent economic downturn—and they're expected to remain flat in some areas until 2012 or beyond.

But, there are ways you may start building or rebuilding your equity:

- Make additional payments toward the principal on your mortgage. This may increase your equity, may reduce the amount of interest you pay through the life of the loan and possibly shorten the time it will take you to pay off the mortgage. Talk with a Home Mortgage Consultant to see how you can make this additional payment fit into your budget using Wells Fargo's Preferred Payment PlanSM options.

Learn more about Wells Fargo Preferred Payment PlanSM options at wellsfargo.com/mortgage

- If you have a large balance on a home equity line of credit, refinance it into a fixed-rate loan. Or if you have a home equity line of credit with a fixed-rate advance option—like a Wells Fargo Home Equity Account—you can convert the outstanding line balance from a variable rate to a fixed-rate advance during the Draw Period. You'll be making principal payments—and increasing your equity. (Please carefully evaluate the interest rate associated with a principal plus interest fixed rate advance and compare it against other available options on your home equity line of credit.)

Learn about fixed-rate home equity financing at wellsfargo.com/equity

- Be selective about making home improvements. Since home prices are not expected to rise rapidly, be sure that any improvements you make will add real value to your home.

Use the Home Improvement Calculator at wellsfargo.com/per/home_equity/tools/home_improve

- Stay up-to-date on home maintenance, repairs and upkeep. The better shape your house is in, the better the appraised value will be.
- Enjoy your home. Rebuilding lost equity will take time. Do what you can—limit home improvements, pay down as much as you can, make repairs as needed—and focus on enjoying all the benefits of being a homeowner. It's still one of the best investments you can make.