Clark, Andrew G.

From:	Clark, Andrew G.
Sent:	Tuesday, April 26, 2011 5:43 PM
To:	Grochala, Tim C
Subject:	What i have been trying to get at...
Attachments:	message_zdm.html; rico.pdf

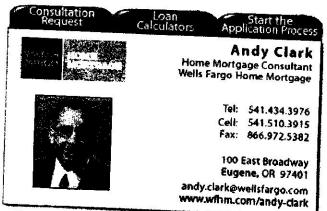I only know the little I see which allows me to be very wrong.

Such an outcome appears to be increasingly possible as explained.........

Andy Clark
Home Mortgage Consultant
Wells Fargo Home Mortgage
MAC p6279-011
100 East Broadway
Eugene, OR 97401
541.434.3976 Tel
541.510.3915 Cell
866.972.5382 Fax
andy.clark@wellsfargo.com
http://www.wfhm.com/andy-clark

Click to Add My Info to your Contacts

4/26/2011

Worst Case Scenario: RICO

There seems to be endless technical litigation over this stuff but so far it does not appear to have all been put together in the Dodd-Frank environment.

1. Anything we touch is ours. Nobody goes after Provident (or whoever), they go after Wells Fargo.
2. Our rate differential across channels may be considered "material"...it appears to be as of April 15. If Provident is currently not a channel, others are.
3. There is an organized structure in place to steer business to the retail channel (with higher rates).
4. The Dodd-Frank legislation coupled with the rate differential has the effect of sending the prime-space home loans through one-person shops with almost no overhead. This could be construed as an organized way of avoiding federal labor laws.

If all this is put together by talented attorneys, at the very least it would be a pain of some form. Worst possible case...RICO. I feel that there are growing forces that cause this to be a huge problem.

1. Consider competition who may use this type of information. See if they have erected any defenses against this possibility.
2. The new disclosures are easier to interpret.
3. The mandates under Dodd-Frank appear to be more specific.
4. The material to support such a claim is very easy to understand in a court.
5. Any loan originated at Retail could be scrutinized.
6. The banks are not all that popular right now.
7. We appear to be the most exposed to the issue.
8. There appears to be a tendency over the last 10 years for the largest to go down for two main reasons: they have more money and they have more client-specific risk.

Possible solution. Stop the problem, do something subtle that provides a future defense should it be needed.

1. Equalize rates across channels by allocating overhead.
2. Send a letter to all borrowers. Make it look as much like junk mail as possible. Announce to them our Wells Fargo Home Mortgage Customer Satisfaction Response Program. All the letter says in a whole bunch of words is "we are always looking for ways to help our customers and respond in advance to their needs. That is why if there are any concerns about your home loan from the beginning of the process to the end, please let us know so we can improve our products and service and most importantly, make it right with you, our valued Customer. Please call 1-877-389-8201, option 2. We look forward to hearing from you and meeting all your Bank needs." Best to send twice, separated by about 3 months. This cheaply provides a possible after-fact defense.

12.9.17 note: by 4/2011 i already pegged Timmy as some sort of Joker or Spook.