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*By electronic delivery to: FHFA.gov*

July 31, 2017

Federal Housing Finance Agency  
Office of Housing and Regulatory Policy  
400 7<sup>th</sup> St., SW, 9<sup>th</sup> Floor  
Washington, D.C. 20219

**RE: Improving Language Access in Mortgage Lending and Servicing Request for Input**

Sir/Madam:

This letter is submitted on behalf of Wells Fargo & Company and its affiliates (“Wells Fargo”) in response to the May 25, 2017, request for input from the Federal Housing Finance Agency (“FHFA”) regarding improving language access in mortgage lending and servicing. Wells Fargo appreciates the opportunity to comment on this important issue, and it respectfully requests that the FHFA give due consideration to the suggestions in this letter.

***Overview***

Wells Fargo welcomes the FHFA’s commitment to improving the ability of borrowers with limited English proficiency to participate fully in all aspects of the mortgage life cycle. Although significant challenges remain to be solved, Wells Fargo envisions a future in which borrowers can receive information about mortgage options, secure loans, make payments and, when necessary, explore loss mitigation options using any one of several different languages.

For lenders, the significant and growing number of U.S. residents with limited English proficiency makes expanding language access not only a business opportunity, but a business imperative. Wells Fargo has dedicated significant resources to improving the experience of mortgage applicants and borrowers with limited English proficiency. As it looks to the future, Wells Fargo intends to increase these investments. However, the process of developing new in-language resources and improving access for borrowers with limited English proficiency across additional product lines creates operational complexities and legal risks. For example, allegations of unfair, deceptive or abusive practices may arise when a product is sold in one language but serviced in another, and claims of improper “steering” may occur if a lender provides in-language support for some (but not all) products.

To solve those difficult challenges and pursue the widespread development of in-language services for borrowers with limited English proficiency, Wells Fargo welcomes the opportunity to partner with the FHFA, other governmental agencies and industry participants. Specifically, Wells Fargo recommends the FHFA oversee and coordinate efforts to standardize translations of model forms and disclosures, create a customer-facing repository for in-language materials, and organize an interagency working group on language access issues with support from an industry panel. By working together, these institutions can create the in-language infrastructure that is currently missing, while developing ways to minimize the risks that might otherwise slow the deployment of in-language resources.

### ***Development of Services to Support Customers with Limited English Proficiency***

As the United States' largest mortgage originator and servicer, Wells Fargo strives to better serve the mortgage needs of borrowers with limited English proficiency. While most U.S. residents speak English, more than 25 million people have limited proficiency in that language.<sup>1</sup> The vast majority (64 percent) of borrowers with limited English proficiency use Spanish as their primary language. Chinese<sup>2</sup> (representing seven percent of the limited-English-proficiency population) and Vietnamese (representing 3 percent) distantly follow.<sup>3</sup> Many other languages – more than 300 – are also spoken in the United States today, though by comparatively smaller groups of people.

As the limited-English-proficiency population in the United States continues to grow, more borrowers are likely to benefit from efforts to improve language access. Between 1990 and 2013, for example, the number of people in the United States with limited proficiency in English increased 80 percent.<sup>4</sup> Unsurprisingly, research indicates borrowers with limited English proficiency prefer receiving mortgage loan disclosures in their language of choice.<sup>5</sup>

For all of those reasons, Wells Fargo has committed substantial resources to improving its ability to support mortgage applicants and borrowers with limited English proficiency. To date, those efforts have been largely focused on ensuring employees can obtain document translations and oral interpretive services on an as-needed basis to better communicate with customers. For example, Wells Fargo provides ready access to over-the-phone interpretive services in 240 different languages. In the first half of 2017, interpretive support was requested for an average of 96 languages each month. These interpreters are available to help ease communications with customers with limited English proficiency who are applying for mortgages, trying to address servicing issues, and asking questions, all at no cost to

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<sup>1</sup> United States Census Bureau, "Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over Universe: Population 5 years and over; 2011-2015 American Community Survey 5-Year Estimates," Table, American FactFinder, 2015, accessed July 26, 2017, <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>. Individuals with limited English proficiency are defined by the Census Bureau as those who speak English "less than very well."

<sup>2</sup> This figure includes Cantonese, Mandarin and other Chinese languages.

<sup>3</sup> United States Census Bureau, "Table 1. Detailed Languages Spoken at Home and Ability to Speak English for the Population 5 Years and Over; 2009-2013 American Community Survey."

<sup>4</sup> Jeffrey S. Passel and D'Vera Cohn, *U.S. Population Projections: 2005–2050*, February 11, 2008, accessed July 26, 2017, <http://www.pewhispanic.org/2008/02/11/us-population-projections-2005-2050/>. By 2050 it is projected that nearly 20% of Americans will be foreign-born, well above the 2005 level of 12%.

<sup>5</sup> Federal Housing Finance Agency, *Language Access for Limited English Proficiency Borrowers: Final Report*, by Kleimann Communication Group, April 2017, accessed July 26, 2017, <https://www.fhfa.gov/PolicyProgramsResearch/Policy/Documents/Borrower-Language-Access-Final-Report-June-2017.pdf>.

them. Wells Fargo also has established channels that its loan officers (known as Home Mortgage Consultants, or “HMCs”) and processors can use to obtain translations of non-English-language documents provided by applicants for loan underwriting. Finally, Wells Fargo created an enterprise-wide process that can be used to translate company-generated documents. In mortgage lending, however, this service is generally used only by individual HMCs to address specific communication barriers with individual customers.

As it looks toward the future, Wells Fargo is working to develop additional resources to better serve the needs of borrowers with limited proficiency in English, with a particular emphasis on improving the customer experience as individuals move across product lines. Since many customers use multiple financial products – deposit accounts, credit cards, home loans, auto loans, and so on – the uneven deployment of in-language services may create an inconsistent customer experience. To that end, the bank is actively working on expanding existing tools and strategizing new capabilities to improve Wells Fargo’s ability to support consumers with limited English proficiency across different business segments.

The bank initially is emphasizing the development of Spanish-language resources, given the large number of U.S. residents who prefer that language. Wells Fargo has focused on bilingual (Spanish- and English-language) staffing at its branches and customer phone-banks, and it is improving its digital Spanish-language capabilities in several different areas. Use of a “Customer Language Preference Indicator” is increasing across different segments of the bank, and Wells Fargo is investing in efforts to improve in-language interactions in deposits, remittances and consumer credit.

Ultimately, Wells Fargo envisions a consistent in-language experience for Spanish-speaking customers, which would include key touch points across the bank, and major financial products and services. Ideally, the most complex financial products also would be the most likely to be available in-language so as to address those areas that present the greatest need for customer clarity. Wells Fargo also envisions Spanish-language resources for financial education, guidance and tools to help its customers meet their financial goals.

### ***Improving Language Access Requires the Financial Industry to Overcome Operational Complexity, and Legal and Regulatory Challenges***

The task of developing robust in-language services is a complex one. While the ideal might be a seamless, end-to-end language experience, reaching that goal will require much work. For mortgage lending alone, such an effort could require, among other efforts: a large number of multi-lingual employees in branches, and mortgage origination, processing and servicing groups; the accurate translation of a vast numbers of documents, including statements, disclosures and a wide variety of other communications; call-centers capable of handling multiple languages; and online content in languages other than English. Even then, most legal documents associated with mortgage loans (e.g., Promissory Notes, Deeds, Deeds of Trust, etc.) would still be in English, preventing Wells Fargo from completely honoring some borrowers’ language preferences.

While the scope of the work ahead poses obvious operational challenges, legal and regulatory concerns also abound. Those are not insurmountable, but financial institutions must move thoughtfully and slowly to improve in-language offerings while mitigating these risks, both for lenders and for consumers. As an

example, document translations must be done with precision and provide contextual accuracy to ensure that both the substance and spirit of the document are conveyed accurately. Literal translations of complex financial documents and terms-of-art (some of which may have no in-language counterpart) can result in documents that lack clarity and may be confusing. Accordingly, in the absence of generally accepted in-language forms, financial institutions volunteering to translate mortgage loan communications and documents may inadvertently trigger claims for unfair, deceptive or abusive acts and practices to the extent that their translations are deemed incomplete or unclear. Furthermore, a lender that begins a good-faith effort to translate documents on a product-by-product basis must manage any perception that it is “steering” borrowers with limited English proficiency into certain products. Additional risks exist for large financial institutions, because customers who receive in-language support for one product (e.g., mortgages loan) will likely expect the same support on others (e.g., auto loans, student loans, credit cards and deposit accounts).

Because of these complexities, whether and to what extent any particular lender can serve borrowers who prefer a particular language will vary. As the industry works towards better supporting borrowers with limited English proficiency, each lender must manage consumer expectations. While we appreciate the FHFA’s proposal to standardize the solicitation of consumer’s language preference on the Uniform Residential Loan Application, Wells Fargo believes that adding this section, even with a disclaimer that the lender is not committed to providing services in that language, may inadvertently create consumer expectations that cannot be met. Each lender must be permitted to determine whether and when to request language preferences, so that it may control the customer experience and manage customer expectations regarding the extent of its in-language capabilities.

### ***Government-Industry Partnership Can Best Improve Language Access and Mitigate Risks***

As stated above, Wells Fargo welcomes the FHFA’s increased involvement in efforts to improve language access for borrowers with limited English proficiency. Given the complexities and the risks (both to financial institutions and to customers), Wells Fargo believes it can best pursue the development of these services by partnering with the FHFA and other industry participants. Together, those institutions can create the infrastructure that is currently missing and develop best practices for minimizing risks that might otherwise slow the proliferation of in-language resources.

As it partners with the FHFA, Wells Fargo wants to ensure that increased government involvement supports – rather than impedes – the ongoing development and continued expansion of these resources. Stakeholders can best accomplish this goal by working to prevent unnecessary mandates or prescriptive requirements that would increase regulatory risks, inadvertently impeding the development of in-language tools for borrowers with limited English proficiency.

In the short-term, Wells Fargo proposes several actions that could be jointly undertaken by the FHFA and financial institutions. These actions would immediately improve the experience of borrowers with limited English proficiency in the mortgage lending marketplace without increasing regulatory burdens:

- ***Create standardized, validated translations of model forms and required documents.*** By providing oversight for the translation of model forms and required documents that are used by all mortgage lenders, the FHFA could immediately improve language access in mortgage

borrowing. Wells Fargo suggests the FHFA prioritize the translation of forms into Spanish, given large number of U.S. residents who prefer to communicate in that language. Standardized Spanish-language disclosures could be created for use by all industry participants, enhancing the ability of borrowers with limited English proficiency to understand important facts about their mortgage transactions. The widespread use of standardized translations also minimizes the risk that an individual lender's particular translation inadvertently causes confusion. Similarly, approved translations would significantly reduce the legal and compliance risks for lenders and servicers, removing a major impediment to the expansion of language access. Such an effort would be most successful if it incorporated input from all stakeholders, including financial institutions, the Government-Sponsored Enterprises, the Department of Housing and Urban Development, the Veterans Administration, the Department of Agriculture, the Consumer Financial Protection Bureau, state Attorneys General, other relevant government agencies and consumer advocacy groups.

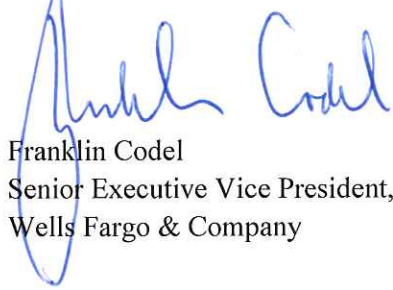
- ***Develop a consumer-facing repository of in-language resources.*** Consumers may be unaware that several in-language resources, created by government agencies, already exist to assist borrowers with limited English proficiency with mortgage loans. The FHFA could consider developing a consumer-facing repository to house all translated documents from regulatory agencies, as well as model forms, educational materials and state-specific documentation. By doing so, the FHFA would increase the accessibility and usefulness of existing resources for borrowers with limited English proficiency and provide a clearinghouse for materials developed in the future.
- ***Organize an interagency working group and industry panel.*** Wells Fargo appreciates the FHFA's desire to cooperatively explore the challenges ahead, and its desire to work with financial institutions and other regulatory agencies to better meet the needs of borrowers with limited English proficiency. As an initial step, Wells Fargo recommends an interagency working group be created, in conjunction with an industry panel and possibly a consumer group, to delve further into this subject and begin generating solutions. Encouraging the development of additional in-language resources, while minimizing unnecessary legal and regulatory risks that might slow adoption by the industry, is a job that requires input from all stakeholders in the mortgage marketplace.

Certainly, these steps alone will not solve all language-access issues, but they will provide a place for the mortgage industry and the FHFA to begin a partnership to better serve borrowers with limited English proficiency.

***Conclusion***

Wells Fargo thanks the FHFA for providing the opportunity to offer input regarding improving language access in mortgage lending and servicing. We look forward to working cooperatively with the FHFA and other stakeholders to develop additional resources and solutions so that we may continue to expand language access for borrowers with limited English proficiency.

Sincerely,



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